This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the Executive Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at http://www.ocfa.org

If you wish to speak before the Fire Authority Executive Committee, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to being heard before the Committee. Speaker Forms are available at the counters of both entryways of the Board Room.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040.
REPORTS

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR
As there was no meeting in June of the Budget and Finance Committee, there will not be a report.

PUBLIC COMMENTS

Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

Any member of the public may address the Board on items within the Board’s subject matter jurisdiction but which are not listed on this agenda during PUBLIC COMMENTS. However, no action may be taken on matters that are not part of the posted agenda. We request comments made on the agenda be made at the time the item is considered and that comments be limited to three minutes per person. Please address your comments to the Board as a whole, and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

The Agenda and Minutes are now available through the Internet at www.ocfa.org. You can access upcoming agendas on the Monday before the meeting. The minutes are the official record of the meeting and are scheduled for approval at the next regular Board of Directors meeting.

2. MINUTES

A. Minutes from the May 23, 2019, Regular Executive Committee Meeting
   Submitted by: Sherry Wentz, Clerk of the Authority

   Recommended Action:
   Approve as submitted.

3. CONSENT CALENDAR

   All matters on the consent calendar are considered routine and are to be approved with one motion unless a Committee Member or a member of the public requests separate action on a specific item.

   A. Monthly Investment Reports
      Submitted by: Patricia Jakubiak, Treasurer

      Recommended Action:
      Receive and file the reports.

   B. Annual Renewal of Aviation Insurance
      Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau

      Recommended Action:
      Approve and authorize the Purchasing Manager to increase B01905 by $43,968 with Gallagher to renew Aviation Insurance Program coverage for the policy period of June 30, 2019, to June 30, 2020 (increasing the premium from $132,298 to $176,266) and authorize the same annual increase for years two and three of the initial three-year contract terms.
C. Annual Renewal of California State Association of Counties Excess Insurance Authority Workers’ Compensation Excess Insurance  
Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau  
Recommended Action:  
Approve and authorize the Fire Chief, or his designee, to bind workers’ compensation excess insurance coverage with the California State Association of Counties Excess Insurance Authority for the policy period from July 1, 2019, to July 1, 2020, with a premium amount of $559,446.

D. Annual Renewal of General Liability Insurance  
Submitted by: Lori Zeller, Deputy Chief/Administration & Support Bureau  
Recommended Action:  
Approve and authorize the Fire Chief, or his designee, to renew the General Liability Insurance Program coverage with the Fire Agencies Insurance Risk Authority for the policy period from July 1, 2019, to July 1, 2020, with a premium amount of $927,609.

E. Blanket Order Contract Increase Additional CareFusion Equipment for Garden Grove  
Submitted by: Randy Black, Assistant Chief/Emergency Medical Services Department  
Recommended Actions:  
1. Approve and authorize the Purchasing Manager to process a coterminous 42-month rental and support agreement for one additional medication distribution unit ($584 monthly) with CareFusion Solutions, resulting in an adjustment in the annual amount from $47,617 to $54,729.  
2. Approve and authorize the Purchasing Manager to add additional units coterminously to the existing contract (at the request of EMS), so long as funding is available and contract terms and conditions remain the same.

F. Construction Monitoring Services for Fire Station 42 Stabilization  
Submitted by: Jim Ruane, Assistant Chief/Logistics Department  
Recommended Action:  
Authorize the Purchasing Manager to issue professional services agreement in the not-to-exceed amount of $59,920 with VO Engineering and add a 10% contingency ($5,900) to the contract for additional construction monitoring services that are required during the construction process for a not-to-exceed amount of $65,820.

END OF CONSENT CALENDAR

4. DISCUSSION CALENDAR
No items.
CLOSED SESSION
No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Executive Committee is scheduled for Thursday, July 25, 2019, at 5:30 p.m.

AFFIDAVIT OF POSTING
I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 20th day of June 2019.

Sherry A.F. Wentz, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Budget and Finance Committee Meeting Wednesday, July 10, 2019, 12 noon
Executive Committee Meeting Thursday, July 25, 2019, 5:30 p.m.
Board of Directors Meeting Thursday, July 25, 2019, 6:00 p.m.
CALL TO ORDER
Chair Muller called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:30 p.m. on May 23, 2019.

INVOCATION
Chaplain Emily McColl offered the invocation.

PLEDGE OF ALLEGIANCE
Director Hernandez led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present: Lisa Bartlett, County of Orange
         Shelley Hasselbrink, Los Alamitos
         Noel Hatch, Laguna Woods
         Gene Hernandez, Yorba Linda
         Joe Muller, Dana Point
         Ed Sachs, Mission Viejo
         Dave Shawver, Stanton

Absent: Don Sedgwick, Laguna Hills
        Tri Ta, Westminster

Also present were:

  Fire Chief Brian Fennessy      Assistant Chief Randy Black
  Deputy Chief Dave Anderson     Assistant Chief Robert Cortez
  Deputy Chief Lori Zeller       Assistant Chief Jim Ruane
  General Counsel David Kendig   Assistant Chief Lori Smith
  Clerk of the Authority Sherry Wentz Communications Director Colleen Windsor

1. PRESENTATIONS
No items.
REPORTS

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (F: 12.02A6)
Budget and Finance Committee Chair Hasselbrink reported at the May 8, 2019, meeting, the Committee voted unanimously to receive and file the RSG, Inc. Final Property Tax Revenue Projections, to send the Monthly Investment Reports and Third Quarter Financial Newsletter to the Executive Committee for approval, and to send the Updated Cost Reimbursement Rates and Review of the Fiscal Year 2019/20 Proposed Budget to the Board of Directors for approval of the recommended actions.

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR (F: 12.02A6)
Human Resources Committee Chair Johnson reported at the May 7, 2019, meeting, the Committee received and filed the updates on the Human Resources Director Executive Recruitment and the Garden Grove Transition of Employment. The Committee voted unanimously to authorize Contract Adjustments for Third Party Workers’ Compensation Administration extending the contract with CorVel for insurance legacy claims for three years in an amount not to exceed $30,000 ($10,000 annually) and directing staff to return with additional information regarding the remaining portions of the proposed CorVel contract amendments to the next scheduled Human Resources Committee.

PUBLIC COMMENTS (F: 12.02A3)
Chair Muller opened the Public Comments portion of the meeting. Chair Muller closed the Public Comments portion of the meeting without any comments from the general public.

2. MINUTES

A. Minutes from the April 25, 2019, Regular Executive Committee Meeting (F: 12.02A2)

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to approve the Minutes of the April 25, 2019, regular meeting as submitted.

3. CONSENT CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to receive and file the reports.

B. Third Quarter Financial Newsletter (F: 15.07)

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to receive and file the report.
C. Fire Station Alerting System Replacement for Garden Grove Fire Stations 80-86 (F: 19.07I)

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to:
1. Approve and authorize the Purchasing Manager to issue a sole source contract to Westnet, Inc. to replace the fire station alerting system at Garden Grove Fire Stations 80–86 in the amount of $124,777.09 and add a 10% contingency ($12,478) to the contract for additional services that may be required during the replacement with the stipulation the Board Chair or Vice Chair are notified before commitment of any contingency funds.
2. Approve and authorize the Purchasing Manager to issue future sole source contracts with Westnet, Inc. for OCFA fire station alerting system upgrades as long as funding is available in the adopted budget.
3. Approve and authorize the Purchasing Manager to adjust the Westnet, Inc. annual support and maintenance contract for the estimated amount not to exceed $12,500 after the one-year warranty period expires, to add Garden Grove Fire Stations 80–86.

D. Fire Station Network and Phone System Replacement for Garden Grove Fire Stations 80-86 (F: 19.08A2a6) (F: 19.08A1)

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with Dimension Data North America, Inc. for the installation and purchase of telephone systems, handsets, routers, and other components needed at Garden Grove Fire Stations 80–86 in the amount of $123,114, with up to a 10% contingency ($12,312) to the contract for additional services and equipment that may be required during the project with the stipulation the Board Chair or Vice Chair are notified before commitment of any contingency funds.

E. Contract Award for Normalized Difference Vegetation Index Aerial Imaging Services (F: 19.08A6c) (X: 16.02I2)

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to:
1. Approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with Eagle Aerial Solutions aerial imaging and analysis services in an amount not to exceed $266,616.
2. Authorize the Purchasing Manager to execute two optional one-year renewals for additional services in an amount not to exceed $60,000 annually ($346,616 total for the three-year contract period through 2022). Additional services will include refinement of imagery and educational outreach/interpretation of imagery.
F. **Blanket Order Contract Adjustments for Pre-employment Background Investigative Services** *(F: 17.25)*

On motion of Director Hernandez and second by Director Shawver, the Executive Committee voted unanimously by those present to:

1. Approve Amendment Number Three to the Professional Services Agreement with RCS Investigations and Consulting, LLC to:
   a. Increase the contract value by $42,000 (from $125,000 to $167,000) for the current 12-month term ending July 31, 2019, and
   b. Extend the contract for up to three months through October 31, 2019, on an as-needed basis, for a not to exceed value of $52,500 for the three-month extension, bringing the total contract value from $167,000 to $219,500 for the combined 15-month period.

2. Approve Amendment Number Three to the Professional Services Agreement with Sintra Group Professional Investigations to:
   a. Increase the contract value by $35,000 (from $125,000 to $160,000) for the current 12-month term ending July 31, 2019, and
   b. Extend the contract for up to three months through October 31, 2019, on an as-needed basis, for a not to exceed value of $52,500 for the three-month extension, bringing the total contract value from $160,000 to $212,500 for the combined 15-month period.

**END OF CONSENT CALENDAR**

4. **DISCUSSION CALENDAR**

No items.

**CLOSED SESSION** *(F: 12.02A5)*

No items.

**COMMITTEE MEMBER COMMENTS** *(F: 12.02A4)*

Director Hernandez noted he attended the OCFA Promotion Ceremony earlier in the afternoon.

**ADJOURNMENT** – Chair Muller adjourned the meeting at 5:35 p.m. The next regular meeting of the Executive Committee is scheduled for Thursday, June 27, 2019, at 5:30 p.m.

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Sherry A.F. Wentz, CMC
Clerk of the Authority
Orange County Fire Authority

AGENDA STAFF REPORT

Executive Committee Meeting
June 27, 2019

Monthly Investment Reports

Agenda Item No. 3A
Consent Calendar

Contact(s) for Further Information
Tricia Jakubiak, Treasurer          triciajakubiak@ocfa.org                      714.573.6301
Treasury & Financial Planning
Jane Wong, Assistant Treasurer      janewong@ocfa.org                           714.573.6305

Summary
This agenda item is a routine transmittal of the monthly investment reports submitted to the Committee in compliance with the investment policy of the Orange County Fire Authority and with Government Code Section 53646.

Prior Board/Committee Action
Since the June meeting of the Budget and Finance Committee was cancelled, no prior committee action was taken on this item; however, the Monthly Investment Report was mailed to members of the Budget and Finance Committee for review.

RECOMMENDED ACTION(S)
Receive and file the reports.

Impact to Cities/County
Not Applicable.

Fiscal Impact
Not Applicable.

Background
Attached is the final monthly investment report for the month ended April 30, 2019. A preliminary investment report as of May 24, 2019, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)
Final Investment Report – April 2019/Preliminary Report – May 2019
June 3, 2019

TO: Budget and Finance Committee
Orange County Fire Authority

FROM: Patricia Jakubiak, Treasurer

SUBJECT: Investment Report

Due to the cancellation of the June 12, 2019 Budget and Finance Committee meeting, I am sending the monthly investment report for your review. The report includes the following:

- Final Investment Report for April 2019
- Preliminary Investment Report for May 2019

This report will be forwarded to the June 27, 2019 meeting of the Executive Committee for action to be taken. If you have any questions, please call me at (714) 573-6301.

Enclosure
Orange County Fire Authority
Monthly Investment Report

Final Report – April 2019

Preliminary Report – May 2019
# Monthly Investment Report

## Table of Contents

**Final Investment Report – April 30, 2019**

- Executive Summary ................................................. 2
- Benchmark Comparison .......................................... 3
- Portfolio Size, Yield, & Duration .......................... 3
- Portfolio Summary .............................................. 4
- Portfolio Details ................................................. 5
- Aging Report ...................................................... 8
- Notes to Portfolio Management Report .................. 9
- Local Agency Investment Fund ............................. 10

**Preliminary Investment Report – May 24, 2019**

- Portfolio Summary .............................................. 13
- Portfolio Details ................................................. 14
- Aging Report ...................................................... 17
- Notes to Portfolio Management Report .................. 18

Glossary .............................................................. 19
Orange County Fire Authority

Final Investment Report

April 30, 2019
EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of April 2019, the size of the portfolio increased significantly by $72.9 million to $211.7 million. Significant receipts for the month included the sixth apportionment of secured property taxes in the amount of $85.1 million. Significant receipts also included cash contract payments, intergovernmental contract and grant payments and other charges for current services totaling $12.4 million. Significant disbursements for the month included primarily two biweekly payrolls which were approximately $11.9 million each with related benefits. Total April cash outflows amounted to approximately $26.5 million. The portfolio’s balance is expected to decrease in May as there are no major receipts scheduled for the month.

In April, the portfolio’s yield to maturity (365-day equivalent) rose by 6 basis points to 2.36%. The effective rate of return decreased by 2 basis points to 2.31% for the month, but increased by 2 basis points to 2.15% for the fiscal year to date. The average maturity of the portfolio lengthened by 30 days to 65 days to maturity.

Economic News

The U.S. economy remained strong in April 2019. Although economic indicators continued to be mixed, employment conditions remained solid with strong jobs growth for the month. There were a total of 263,000 new jobs created in April, a stronger number than expected. In addition, the unemployment rate declined further from an already historically low rate of 3.8% to 3.6%. On the other hand, retail sales declined by 0.2% after an upwardly revised March number of 1.7%. Consumer confidence measures stayed mixed, but maintaining at high levels. Both manufacturing and non-manufacturing sectors pulled back slightly for the month. Industrial production and durable goods orders also decreased in April. The CPI (Consumer Price Index) rose by 0.3% for the month and 2.0% year-over-year. Both new and existing home sales dropped in April. On May 1, 2019, the Federal Open Market Committee voted to keep the federal funds rate unchanged at the target range of 2.25% - 2.50%. The Committee also stated it will be “patient” regarding any future adjustments to the federal funds rate.
BENCHMARK COMPARISON AS OF APRIL 30, 2019

<table>
<thead>
<tr>
<th>T-Bill Duration</th>
<th>Current Month</th>
<th>Prior Month</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Month T-Bill</td>
<td>2.43%</td>
<td></td>
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</tr>
<tr>
<td>6 Month T-Bill</td>
<td>2.46%</td>
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<tr>
<td>1 Year T-Bill</td>
<td>2.42%</td>
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<tr>
<td>LAIF</td>
<td>2.45%</td>
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</tr>
<tr>
<td>OCFA Portfolio</td>
<td>2.31%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PORTFOLIO SIZE, YIELD, & DURATION

<table>
<thead>
<tr>
<th></th>
<th>Current Month</th>
<th>Prior Month</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book Value</td>
<td>$211,723,024</td>
<td>$138,783,688</td>
<td>$207,870,213</td>
</tr>
<tr>
<td>Yield to Maturity (365 day)</td>
<td>2.36%</td>
<td>2.30%</td>
<td>1.65%</td>
</tr>
<tr>
<td>Effective Rate of Return</td>
<td>2.31%</td>
<td>2.33%</td>
<td>1.59%</td>
</tr>
<tr>
<td>Days to Maturity</td>
<td>65</td>
<td>35</td>
<td>96</td>
</tr>
</tbody>
</table>
# ORANGE COUNTY FIRE AUTHORITY
## Portfolio Management
### Portfolio Summary
#### April 30, 2019

<table>
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<tr>
<th>Investments</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
<th>Term</th>
<th>Days to Maturity</th>
<th>YTMIC 360 Equiv.</th>
<th>YTWIC 360 Equiv.</th>
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</thead>
<tbody>
<tr>
<td>Money Mk Mutual Funds/Cash</td>
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<td>9,075,205.09</td>
<td>9,075,205.09</td>
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<td>1</td>
<td>1.943</td>
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<td>Federal Agency Coupon Securities</td>
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<td>30</td>
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<td>2.398</td>
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<td>Local Agency Investment Funds</td>
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<td>65,000,000.00</td>
<td>65,000,000.00</td>
<td>30.99</td>
<td>1</td>
<td>1</td>
<td>2.412</td>
<td>2.446</td>
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</table>

*Total:* 211,075,205.09

### Cash and Accrued Interest

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
<th>Term</th>
<th>Days to Maturity</th>
<th>YTMIC 360 Equiv.</th>
<th>YTWIC 360 Equiv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passbook/Checking (not included in yield calculations)</td>
<td>1,637,737.61</td>
<td>1,637,737.61</td>
<td>1,637,737.61</td>
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<td>1</td>
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<td>0.000</td>
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<td>Accrued Interest at Purchase</td>
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<td>25,981.46</td>
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<tr>
<td>Subtotal</td>
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<td></td>
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</tr>
</tbody>
</table>

*Total Cash and Investments:* 212,712,942.70

### Total Earnings

- **April 30 Month Ending:** 317,514.33
- **Fiscal Year To Date:** 2,709,903.63

**Average Daily Balance:** 167,526,128.45

**Effective Rate of Return:** 2.31%

---

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2019. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

Patricia Jakubek, Treasurer

---

**Cash and Investments with GASB 31 Adjustment:**

- **Book Value of Cash & Investments before GASB 31 (Above):** $212,091,517.59
- **GASB 31 Adjustment to Books (See Note 3 on page 9):** $368,493.56

*Total:* $211,723,023.93
<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>YTM</th>
<th>Days to Maturity</th>
<th>Maturity Date</th>
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<td>Federated Treasury Obligations</td>
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<td>1,970</td>
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<td></td>
<td>6/01/2019</td>
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<tr>
<td></td>
<td></td>
<td>Subtotal and Average</td>
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<td>9,075,205.09</td>
<td>1,970</td>
<td>1,970</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Federal Agency Coupon Securities</strong></td>
<td></td>
<td></td>
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<td></td>
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<td>3133EGPD1</td>
<td>921</td>
<td>Federal Farm Credit Bank (Callable Anytime)</td>
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<td>10/25/2019</td>
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<td>Fed Home Loan Mtg Corp (Callable on 10/18/2021)</td>
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<td>9,000,000.00</td>
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<td>170</td>
<td>10/18/2021</td>
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<tr>
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<td>Subtotal and Average</td>
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<td>24,947,950.00</td>
<td>25,000,000.00</td>
<td>1,439</td>
<td>161</td>
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## ORANGE COUNTY FIRE AUTHORITY
### Portfolio Management
#### Portfolio Details - Investments

**April 30, 2019**

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Investment #</th>
<th>Issuer</th>
<th>Average Balance</th>
<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>YTMIC</th>
<th>Days to Maturity</th>
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<tbody>
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## ORANGE COUNTY FIRE AUTHORITY
### Portfolio Management
#### Portfolio Details - Cash
### April 30, 2019

<table>
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<tr>
<th>CUSIP</th>
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<th>Issuer</th>
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<th>Purchase Date</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>Stated Rate</th>
<th>YTM/C 365 Maturity</th>
<th>Days to Maturity</th>
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<td>Total Cash and Investments</td>
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<td>End Date</td>
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<td>Percent of Portfolio</td>
<td>Current Book Value</td>
<td>Current Market Value</td>
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<tr>
<td>0 days</td>
<td>05/01/2019</td>
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<td>75,712,942.70</td>
<td>75,722,494.71</td>
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<td>1 - 30 days</td>
<td>05/02/2019</td>
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<td>27,000,000.00</td>
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<td>31 - 60 days</td>
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<td>06/30/2019</td>
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<td>61 - 90 days</td>
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<td>07/31/2019</td>
<td>18,000,000.00</td>
<td>8.44%</td>
<td>17,206,577.60</td>
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<td>91 - 120 days</td>
<td>08/01/2019</td>
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<td>17,286,816.00</td>
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<td>17,539,620.00</td>
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<td>151 - 180 days</td>
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<td>17,371,660.00</td>
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<td>181 - 274 days</td>
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<td>8,255,767.50</td>
<td>8,367,346.00</td>
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<td>275 - 365 days</td>
<td>01/31/2020</td>
<td>04/30/2020</td>
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<tr>
<td>366 - 1095 days</td>
<td>05/01/2020</td>
<td>04/30/2022</td>
<td>9,000,000.00</td>
<td>4.24%</td>
<td>9,000,000.00</td>
<td>9,003,870.00</td>
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<td>1096 days and after</td>
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<td>0.00</td>
<td>0.00%</td>
<td>0.00</td>
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NOTES TO PORTFOLIO MANAGEMENT REPORT

Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.

Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.

Note 3: GASB 31 requires governmental entities to report investments at fair value on the financial statements and to reflect the corresponding unrealized gains/losses as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2018, includes a decrease of ($121,754) to the LAIF investment and a decrease of ($246,740) to the remaining investments.

Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of $1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.
Local Agency Investment Fund (LAIF)

As of April 30, 2019, OCFA has $65,000,000 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of March 31, 2019 is 1.000146954. When applied to OCFA's LAIF investment, the fair value is $65,009,552 or $9,552 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at April 30, 2019 is included on the following page.
## State of California
## Pooled Money Investment Account
## Market Valuation
## 4/30/2019

<table>
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<tr>
<th>Description</th>
<th>Carrying Cost Plus</th>
<th>Fair Value</th>
<th>Accrued Interest</th>
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<td>Accrued Interest</td>
<td>Purch.</td>
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<td>United States Treasury:</td>
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<td>Bills</td>
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<td>$ 29,085,893,047.82</td>
<td>$ 29,096,897,500.00</td>
<td>$ 124,728,150.50</td>
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<td>Federal Agency:</td>
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<td>SBA</td>
<td>$ 677,899,649.62</td>
<td>$ 670,291,781.54</td>
<td>$ 1,550,196.10</td>
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<td>MBS-REMICs</td>
<td>$ 22,839,779.65</td>
<td>$ 23,345,081.99</td>
<td>$ 106,720.28</td>
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<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Debentures CL</td>
<td>$ 200,000,000.00</td>
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<td>$ 821,284,000.00</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$ 102,743,601,352.30</strong></td>
<td><strong>$ 103,057,779,416.79</strong></td>
<td><strong>$ 220,786,655.84</strong></td>
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**Fair Value Including Accrued Interest**: $ 103,278,566,072.63

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).
Orange County Fire Authority

Preliminary Investment Report

May 24, 2019
### ORANGE COUNTY FIRE AUTHORITY
#### Portfolio Management
#### Portfolio Summary
#### May 24, 2019

<table>
<thead>
<tr>
<th>Investments</th>
<th>Par Value</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
<th>Term</th>
<th>Days to Maturity</th>
<th>YTMC 360 Equiv.</th>
<th>YTMC 365 Equiv.</th>
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#### Cash and Accrued Interest

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#### Total Earnings

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<td>Effective Rate of Return</td>
<td>2.33%</td>
<td>2.16%</td>
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Certified that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2019: A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months.

Patricia Jakubis, Treasurer

Cash and Investments with GASB 31 Adjustment:

- Book Value of Cash & Investments before GASB 31 (Above): $193,818,944.34
- GASB 31 Adjustment to Books (See Note 3 on page 18): $193,450,453.68
- Total: $193,450,453.68

Page 1 of 2
## ORANGE COUNTY FIRE AUTHORITY
### Portfolio Management
#### Portfolio Details - Investments
May 24, 2019

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<tr>
<th>CUSIP</th>
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<th>Market Value</th>
<th>Book Value</th>
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(See Note 1 on page 18) (See Note 2 on page 18)
### ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
May 24, 2019

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<th>CUSIP</th>
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<td>Total Cash and Investments</td>
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# ORANGE COUNTY FIRE AUTHORITY

**Aging Report**

**By Maturity Date**

**As of May 25, 2019**

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<th>Aging Interval:</th>
<th>Maturity Par Value</th>
<th>Percent of Portfolio</th>
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<th>Current Market Value</th>
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<td>18,965,460.00</td>
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**Total for 19 Investments**  
Maturity Par Value: 100.00  
Current Book Value: 192,791,962.83  
Current Market Value: 192,790,657.00
NOTES TO PORTFOLIO MANAGEMENT REPORT

Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.

Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.

Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/losses as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2018 includes a decrease of ($121,754) to the LAIF investment and a decrease of ($246,740) to the remaining investments.

Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority’s sweep account. Funds are transferred to and from the sweep account to/from OCFA’s checking account in order to maintain a target balance of $1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.
GLOSSARY

INVESTMENT TERMS

Basis Point. Measure used in quoting yields on bonds and notes. One basis point is .01% of yield.

Book Value. This value may be the original cost of acquisition of the security, or original cost adjusted by the amortization of a premium or accretion of a discount. The book value may differ significantly from the security's current value in the market.

Commercial Paper. Unsecured short-term promissory notes issued by corporations, with maturities ranging from 2 to 270 days; may be sold on a discount basis or may bear interest.

Coupon Rate. Interest rate, expressed as a percentage of par or face value, that issuer promises to pay over lifetime of debt security.

Discount. The amount by which a bond sells under its par (face) value.

Discount Securities. Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and most commercial paper are issued at a discount.

Effective Rate of Return. Rate of return on a security, based on its purchase price, coupon rate, maturity date, and the period between interest payments.

Federal Agency Securities. Securities issued by agencies such as the Federal National Mortgage Association and the Federal Farm Credit Bank. Though not general obligations of the US Treasury, such securities are sponsored by the government and therefore have high credit ratings. Some are issued on a discount basis and some are issued with coupons.

Federal Funds. Funds placed in Federal Reserve banks by depository intuitions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed Funds are considered to be immediately available funds.

Fed Funds Rate. The interest rate charged by one institution lending federal funds to another.

Federal Open Market Committee. The branch of the Federal Reserve Board that determines the direction of monetary policy.

Local Agency Investment Fund (LAIF). A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of $50 million for any agency (excluding bond funds, which have no maximum). It offers high liquidity because
deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State’s administrative fee cannot exceed 1/4 of a percent of the earnings.

**Market value.** The price at which the security is trading and could presumably be purchased or sold.

**Maturity Date.** The specified day on which the issuer of a debt security is obligated to repay the principal amount or face value of the security.

**Money Market Mutual Fund.** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers’ acceptances, repurchase agreements and federal funds).

**Par.** Face value or principal value of a bond typically $1,000 per bond.

**Rate of Return.** The amount of income received from an investment, expressed as a percentage. A *market rate of return* is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

**Treasury Bills.** Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year. The yields on these bills are monitored closely in the money market for signs of interest rate trends.

**Treasury Notes.** Intermediate U.S. government debt securities with maturities of one to 10 years.

**Treasury bonds.** Long-term U.S. government debt securities with maturities of 10 years or longer.

**Yield.** Rate of return on a bond.

**Yield-to-maturity.** Rate of return on a bond taking into account the total annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.

**ECONOMIC TERMS**

**Conference Board Consumer Confidence Index.** A survey that measures how optimistic or pessimistic consumers are with respect to the economy in the near future.

**Consumer Price Index (CPI).** A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.
Durable Goods Orders. An economic indicator released monthly that reflects new orders placed with domestic manufacturers for delivery of factory durable goods such as autos and appliances in the near term or future.

Gross Domestic Product. The monetary value of all the finished goods and services produced within a country's borders in a specific time period. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

Industrial Production. An economic indicator that is released monthly by the Federal Reserve Board. The indicator measures the amount of output from the manufacturing, mining, electric and gas industries.

ISM Institute for Supply Management (ISM) Manufacturing Index. A monthly index that monitors employment, production inventories, new orders and supplier deliveries.

ISM Non-manufacturing Index. An index based on surveys of non-manufacturing firms' purchasing and supply executives. It tracks economic data for the service sector.

Leading Economic Index. A monthly index used to predict the direction of the economy's movements in the months to come. The index is made up of 10 economic components, whose changes tend to precede changes in the overall economy.

National Federation of Independent Business Small Business Optimism Index. An index based on surveys of small business owners' plans and expectations regarding employment, capital, inventories, economic improvement, credit conditions, expansion, and earnings trends in the near term or future.

Producer Price Index. An index that measures the average change over time in the selling prices received by domestic producers for their output.

University of Michigan Consumer Sentiment Index. An index that measures the overall health of the economy as determined by consumer opinion. It takes into account an individual's feelings toward his or her own current financial health, the health of the economy in the short term and the prospects for longer term economic growth.
Annual Renewal of Aviation Insurance

Contact(s) for Further Information
Lori Zeller, Deputy Chief lorizeller@ocfa.org 714.573.6022
Administration & Support Bureau
Jonathan Wilby, Risk Manager jonathanwilby@ocfa.org 714.573.6832
Human Resources Department

Summary
This agenda item is submitted for authorization to increase Blanket Order B01905 by $43,968 with Arthur J. Gallagher & Co. Insurance Brokers of CA, Inc. (Gallagher) to renew Aviation Insurance Program coverage for FY 2019/20 and authorize the same annual increase for years two and three of the initial three-year contract terms.

Prior Board/Committee Action(s)
On November 15, 2018, the Executive Committee authorized contract award, following a competitive solicitation, to Gallagher for insurance brokerage services and for estimated annual insurance premiums for three years, with the Aviation Insurance estimated at $132,298.

RECOMMENDED ACTION(S)
Approve and authorize the Purchasing Manager to increase B01905 by $43,968 with Gallagher to renew Aviation Insurance Program coverage for the policy period of June 30, 2019, to June 30, 2020 (increasing the premium from $132,298 to $176,266) and authorize the same annual increase for years two and three of the initial three-year contract terms.

Impact to Cities/County
Not Applicable.

Fiscal Impact
Funding is included in the FY 2019/20 Adopted Budget.

Background
The aviation insurance policy provides liability coverage for the operation of the Orange County Fire Authority’s four helicopters. Operationally, the helicopters are used for fire suppression, search and rescue, transporting fire crews, aerial reconnaissance, emergency medical rescue, disaster mitigation, recovery operations, large animal rescue, and training. The coverage includes a $50 million combined single limit for bodily injury and property damage for each aircraft. The two older aircrafts are insured at that limit for liability only.
Gallagher has advised us that the aviation insurance market worldwide has drastically tightened. In 2018, many carriers had a loss ratio of around 200%. Liberty, Papillon, Air Methods, and Airbus all had significant rotor wing losses during the year. The problem was further exacerbated by the recent Boeing Max grounding losses and related lawsuits that may cost the aviation insurance carriers around $1B in 2019. As such, shopping OCFA’s aviation policy has proven challenging under these market conditions.

For the FY 2019/20 policy year, Gallagher marketed the policy to twelve aviation insurance carriers and received proposals from three (ACE, AIG, and Old Republic). The other carriers declined to insure our program per our requirements. AIG, the current insurance carrier, offered a premium of $384,350 with a significant reduction in coverages. Old Republic also offered more limited coverage and proposed an $800,000 premium. ACE not only had the lowest premium at $176,266, but it was also the only carrier to agree to our same improved coverages from last year.

The quoted ACE premium of $176,266 is an increase of $43,968 compared to the estimated premium previously approved by the Executive Committee for FY 2019/20 of $132,298. The OCFA will receive a profit commission in the amount of $20,000 for the FY 2018/19 policy if there are no losses prior to June 30, 2019, and if achieved, this will reduce the overall net premium increase; however, we will be unable to confirm a profit commission prior to Executive Committee consideration of this agenda item. Therefore, staff is seeking approval of the full estimated increase of $43,968.

Attachment(s)
Aircraft Liability Insurance Coverage Summary
AIRCRAFT LIABILITY INSURANCE COVERAGE SUMMARY

Insurance Company: Ace
A.M. Best Rating: A++
Policy Period: June 30, 2019 to June 30, 2020

Terms:
One-year policy

Aircraft Liability Coverage Limits:
$50,000,000 Combined single limit bodily injury and property damage; each aircraft
$50,000,000 Non-owned aircraft liability
$50,000,000 Aircraft personal injury liability

Aircraft Physical Damage Values:
At insured values based on schedule filed with carrier

Deductibles:
Range from $0 to $50,000
Orange County Fire Authority
AGENDA STAFF REPORT

Executive Committee Meeting
June 27, 2019

Agenda Item No. 3C
Consent Calendar

Annual Renewal of California State Association of Counties Excess Insurance Authority Workers’ Compensation Excess Insurance

Contact(s) for Further Information
Lori Zeller, Deputy Chief
Administration & Support Bureau
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714.573.6022

Jonathan Wilby, Risk Manager
Human Resources Department
jonathanwilby@ocfa.org
714.573.6832

Summary
This annual agenda item is submitted for authorization to renew the workers’ compensation excess insurance coverage with the California State Association of Counties Excess Insurance Authority (CSAC-EIA).

Prior Board/Committee Action(s)
Not Applicable.

RECOMMENDED ACTION(S)
Approve and authorize the Fire Chief, or his designee, to bind workers’ compensation excess insurance coverage with the California State Association of Counties Excess Insurance Authority for the policy period from July 1, 2019, to July 1, 2020, with a premium amount of $559,446.

Impact to Cities/County
Not Applicable.

Fiscal Impact
Funding is included in FY 2019/20 Budget.

Background
The Workers’ Compensation Self-Insurance Program uses excess insurance as a stop loss for losses over a self-insured retention (SIR) limit of $2,000,000. The Orange County Fire Authority (OCFA) is responsible for the losses up to $2,000,000 per incident with the excess insurer responsible for costs that exceed that amount. The workers’ compensation excess insurance coverage limit is statutory. The excess insurance coverage limit is Part 1 of the workers’ compensation policy and covers the medical costs and lost wages for work-related injuries or illnesses. Employer’s liability is Part 2 of the workers’ compensation policy, and it protects against lawsuits for the employment-related injuries or illnesses that may be filed by employees, family of the employee, or other third parties. For example, a lawsuit alleging the workers’ compensation claim is due to negligence on the part of the employer is covered under Part 2 with a limit of liability at $5,000,000.
CSAC-EIA is the second largest public entity risk sharing pool and the largest property and casualty pool in the nation. The CSAC-EIA membership includes 93% of the counties, over 80% of the cities, as well as numerous school districts, special districts, housing authorities, fire districts, and other joint powers authorities in California. The OCFA has been a member of CSAC-EIA, since 2007. CSAC-EIA purchases excess workers’ compensation insurance on behalf of OCFA and the other members of the pool.

The FY 2019/20 premium of $559,446 is $91,446 or 19.5% more than the expiring FY 2018/19 premium of $468,000. The premium increase is due to an increase in estimated payroll for the policy year and a payroll adjustment for the 2018/19 policy year.

Since joining the CSAC-EIA pool in 2007, the OCFA has experienced a significant savings in excess workers’ compensation insurance premium. The OCFA will pay over 11% less than the FY 2006/07 premium (prior to CSAC-EIA) after this year’s premium increase even though 354 positions have been added in that same timeframe.

<table>
<thead>
<tr>
<th>Excess Workers’ Compensation Premium 2006-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE Am. Ins.</td>
</tr>
<tr>
<td>$632,444</td>
</tr>
<tr>
<td>CSAC-EIA</td>
</tr>
<tr>
<td>$232,655</td>
</tr>
</tbody>
</table>

Attachment(s)
CSAC-EIA Excess Workers’ Compensation Coverage Summary

¹ Rise in cost is attributed to the increased number of personnel associated with the Santa Ana transition.
² Rise in cost was due to the CSAC-EIA creating two new public safety rating groups with increased rates that will be phased in over three years. The OCFA is included in the high safety rating group, since over 40% of payroll is from safety personnel.
<table>
<thead>
<tr>
<th><strong>CSAC-EIA EXCESS WORKERS’ COMPENSATION COVERAGE SUMMARY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance Company:</strong></td>
</tr>
<tr>
<td><strong>A.M. Best Rating:</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Policy Period:</strong></td>
</tr>
<tr>
<td><strong>Coverage Provided:</strong></td>
</tr>
<tr>
<td><strong>Major Exclusions:</strong></td>
</tr>
<tr>
<td><strong>Limits:</strong></td>
</tr>
<tr>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Employer’s Liability</td>
</tr>
<tr>
<td><strong>Retention:</strong></td>
</tr>
<tr>
<td>Self-insured Retention</td>
</tr>
</tbody>
</table>
Annual Renewal of General Liability Insurance

Contact(s) for Further Information
Lori Zeller, Deputy Chief lorizeller@ocfa.org 714.573.6022
Administration & Support Bureau
Jonathan Wilby, Risk Manager jonathanwilby@ocfa.org 714.573.6832
Human Resources Department

Summary
This annual agenda item is submitted for authorization to renew the Orange County Fire Authority’s (OCFA) General Liability Insurance Program coverage with the Fire Agencies Insurance Risk Authority (FAIRA).

Prior Board/Committee Action(s)
Not Applicable.

RECOMMENDED ACTION(S)
Approve and authorize the Fire Chief, or his designee, to renew the General Liability Insurance Program coverage with the Fire Agencies Insurance Risk Authority for the policy period from July 1, 2019, to July 1, 2020, with a premium amount of $927,609.

Impact to Cities/County
Not Applicable.

Fiscal Impact
Funding is included in FY 2019/20 Budget.

Background
Formed in 1989, FAIRA is a joint powers public agency which provides pooled group insurance to over 100 fire districts in California and Nevada. The OCFA has been a member of FAIRA since 1995 and holds a seat on FAIRA’s Board of Directors. On behalf of the OCFA, FAIRA purchases general liability, property, automobile, management liability, portable equipment, crime, cyber liability, healthcare liability, garage keepers, and excess liability coverages.

The expiring 2018/19 policy premium of $929,839 is inclusive of primary general liability insurance coverage of $1M per occurrence and excess liability insurance coverage of $10M per occurrence. The total renewal premium for 2019/20 is $927,609, or an $2,230, .23% decrease over the expiring premium.

Attachment(s)
FAIRA General Liability Insurance Coverage Summary
## FAIRA GENERAL LIABILITY INSURANCE PROGRAM COVERAGE SUMMARY

<table>
<thead>
<tr>
<th>Insurance Company:</th>
<th>FirePlus/JPRIMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.M. Best Rating:</td>
<td>A++:XV</td>
</tr>
<tr>
<td>Policy Period:</td>
<td>July 1, 2019 to July 1, 2020</td>
</tr>
</tbody>
</table>

**Property:**
- **Real Property (Building):** Guaranteed Replacement Cost
- **Personal Property (Contents):** Per Schedule on file with the Carrier
- **Deductible:** Between $1,000 and $5,000

**Crime:**
- **Employee Dishonesty:** $1,000,000
- **Forgery or Alteration:** $1,000,000
- **Faithful Performance of Duty:** $1,000,000
- **Computer Fraud:** $1,000,000
- **Deductible:** $1,000

**Portable Equipment:**
- **Valuation:** Guaranteed Replacement Cost
- **Deductible:** $1,000

**General Liability:**
- **Each Occurrence:** $1,000,000
- **Personal and Advertising Injury:** $1,000,000
- **Fire Damage Legal Liability:** $1,000,000
- **Medical Expense (each accident):** $10,000
- **Garage Keepers Liability:** $500,000
- **General Annual Aggregate:** $10,000,000

**Management Liability:**
- **Each Wrongful Act:** $1,000,000/$10,000,000 General Annual Aggregate
- **Defense Expense Injunctive Relief:** $50,000
- **Deductible Each Wrongful Act:** Between $5,000 and $7,500

**Automobile**
- **Bodily Injury or Property Damage:** $1,000,000
- **Uninsured/Underinsured Motorist:** $1,000,000
- **Automobile Physical Damage:** Agreed Value on file with the Carrier
- **Deductible:** $1,000 Passenger Vehicles, $5,000 Emergency Vehicles

**Cyber Liability:**
- **Third Party Liability:** $1,000,000
- **Deductible:** $10,000
Umbrella (Excess) Liability:
Each Occurrence $10,000,000
General Annual Aggregate $20,000,000

Total Assets Insured:
Property $917,000,000
Auto $411,000,000
Blanket Order Contract Increase
Additional CareFusion Equipment for Garden Grove

Contact(s) for Further Information
Randy Black, Assistant Chief  randyblack@ocfa.org  714.573.6008
Emergency Medical Services Department
Scott Wiedensohler, Battalion Chief  scottwiedensohler@ocfa.org  714.573.6071

Summary
This agenda item is submitted for the approval of a coterminous rental and maintenance of one CareFusion Pyxis medication vault system (for controlled substance) and approval to rent additional units as needed through the end of the contract term. This item is presented to Executive Committee for approval since the resulting contract will exceed $50,000 annually and the contract was not competitively bid. The specific need at this time is for an additional unit for the Garden Grove transition.

Prior Board/Committee Action
At its January 26, 2012, meeting, the Executive Committee approved a five-year rental and maintenance agreement with CareFusion for nine automatic medication distribution units in the amount of $51,720 per year.

At its June 22, 2017, meeting, the Executive Committee approved a sole source rental and maintenance agreement with CareFusion a five-year period for ten units at a reduced rate of $47,039 per month.

RECOMMENDED ACTION(S)
1. Approve and authorize the Purchasing Manager to process a coterminous 42-month rental and support agreement for one additional medication distribution unit ($584 monthly) with CareFusion Solutions, resulting in an adjustment in the annual amount from $47,617 to $54,729.
2. Approve and authorize the Purchasing Manager to add additional units coterminously to the existing contract (at the request of EMS), so long as funding is available and contract terms and conditions remain the same.

Impact to Cities/County
Not Applicable

Fiscal Impact
Funding for the additional unit is available in the FY 2018/19 General Fund Budget, specifically in the Emergency Medical Service (EMS) budget.
**Background**
In 2006, under the direction of the OCFA Medical Director, OCFA standardized on the Pyxis medication vault system for management and dispensing controlled medications. Federal and state regulations mandate the proper storage, distribution and accountability of controlled medications. CareFusion is the sole provider of its proprietary medication distribution cabinets and was the only solution at the time that offered biometric ID (fingerprint) in lieu of ID card or PIN number access at the time. A key operational benefit of the Pyxis machine is that authorized paramedics may securely resupply controlled medications (documented through the system) within the battalion with no need to be out of service and drive to headquarters and without a 24/7 administrator. The Pyxis solution provides data to EMS staff for tracking and managing medication and inventory. The combination of biometrics and centralized tracking substantially enhances the security of controlled medication distribution. Currently OCFA utilizes ten Pyxis machines deployed at Battalions throughout the service area including the main vault located in the EMS department at headquarters. EMS has determined there is an immediate need to rent one additional unit for use in the city of Garden Grove. The resulting change in the contract amount is provided in the chart below. The monthly rental rate on the new unit for 42-month ($469.79) is slightly higher than the 60-month rental for the new unit ($323.25); however, EMS staff has determined that co-termining the rentals will provide OCFA a better opportunity to consider available solutions for replacing all the equipment at the end of the rental contract term.

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Contract (10 units)</th>
<th>Additional Unit Garden Grove</th>
<th>New Contract Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Rental Amount</td>
<td>$2,610.43</td>
<td>$469.79</td>
<td>$3,968.08</td>
</tr>
<tr>
<td>Monthly Support Amount</td>
<td>$1,357.65</td>
<td>$122.84</td>
<td>$1,480.49</td>
</tr>
<tr>
<td>Total Monthly Contract Amount</td>
<td>$3,968.08</td>
<td>$592.63</td>
<td>$4,560.71</td>
</tr>
<tr>
<td><strong>Annual Amount</strong></td>
<td>$47,616.96</td>
<td>$7,111.56</td>
<td>$54,728.52</td>
</tr>
<tr>
<td><strong>Contract Total (42 months)</strong></td>
<td><strong>$166,659.36</strong></td>
<td><strong>$24,890.46</strong></td>
<td><strong>$191,549.82</strong></td>
</tr>
</tbody>
</table>

*Amounts above include sales tax*

**Recommendation**
Staff is recommending approval and authorization for the Purchasing Manager to process the proposed coterminal (42 months) rental and support agreement order with CareFusion for the additional Pyxis unit for the city of Garden Grove. In anticipation of the need for additional units during the remaining 42 months of the contract, EMS staff is requesting approval from Executive Committee to rent and maintain additional units as needs are identified without further approval so long as funding is available, and the contract terms remain the same.

**Attachment(s)**
None.
Construction Monitoring Services for Fire Station 42 Stabilization

Contact(s) for Further Information
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imruane@ocfa.org  
714.573.6801  
Logistics Department
Patrick Bauer, Property Manager  
patrickbauer@ocfa.org  
714.573.6642  
Property Management Division

Summary
This agenda item is submitted for approval to utilize the special procurement provision under Article III (Section 1-23) in the Purchasing Ordinance to award a professional services agreement with VO Engineering for construction monitoring services at an amount not to exceed $59,920.00.

Prior Board/Committee Action(s)
At its February 22, 2018, meeting, the Executive Committee approved a contract with VO Engineering for surveying, mapping, structural design, preparation of bid specifications and construction drawings in a not to exceed amount of $55,738. Upon award of contract to the successful bidder and when a construction schedule was obtained, additional inspection and monitoring services would be needed. A construction services contract was awarded to Zusser Company at the April 25, 2019, Executive Committee meeting.

RECOMMENDED ACTION(S)
Authorize the Purchasing Manager to issue professional services agreement in the not-to-exceed amount of $59,920 with VO Engineering and add a 10% contingency ($5,900) to the contract for additional construction monitoring services that are required during the construction process for a not-to-exceed amount of $65,820.

Impact to Cities/County
Not Applicable.

Fiscal Impact
Funding for the Fire Station 42 Site Stabilization project has been approved in the Adopted FY 2017/18 Capital Improvement Program Budget, specifically in Fund 123 (Fire Stations & Facilities) for a total project budget of $800,000.

Background
Special Procurement Justification
VO Engineering has been providing ongoing professional geotechnical slope and foundation monitoring and analysis services for the OCFA on Fire Station 42 as the project’s established Engineer of Record. VO Engineering was originally selected as the successful professional service provider in 2011. At the time, VO was selected over a number of other qualified firms, including Leighton & Associates, Ninyo & Moore and Bureau Veritas, based on various evaluation criteria.
VO has provided slope and foundation monitoring reports since 2011 resulting in the design of a replacement retaining wall and station slab stabilization contained within this project work scope.

VO Engineering, the Engineer of Record, is required to monitor and ensure that construction services are in accordance with the project plans and specifications, as provided in the Special Procurement Justification Form which was approved by Executive Committee in February 2018 for the initial design/engineering phase of the project. Per the City of Lake Forest, continuous inspection of the grading and backfill operations are not required; however, the Engineer of Record is to provide inspection and testing to confirm the design installation compliance is met.

VO Engineering was to be responsible for providing construction design support services and verification of repair workmanship for the slope and foundation stabilization construction contract. An estimate for the support cost was to be provided once the City of Lake Forest approved and permitted plans are obtained and the construction schedule from the successful bidder for the construction phase (Zusser Company) was made available. Per City of Lake Forest inspection requirements and the Zusser Company project schedule, VO Engineering provided the above “not to exceed” construction inspection and testing proposal.

**Recommendation**
Staff is recommending approval to authorize the Purchasing Manager to issue a professional services agreement to VO Engineering for construction monitoring services for the site stabilization of FS 42.

**Attachment(s)**
Proposed Professional Services Agreement (Available on-line and in the Clerk’s Office)
ORANGE COUNTY FIRE AUTHORITY
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made and entered into this ______ day of June, 2019, by and between the Orange County Fire Authority, a public agency, hereinafter referred to as "OCFA", and VO Engineering Inc, a Corporation, hereinafter referred to as "Firm".

RECITALS

WHEREAS, OCFA requires the services of a firm to provide geotechnical services at Orange County Fire Authority Fire Station 42 located at 19150 Ridgeline Road, Lake Forest, CA 92639, hereinafter referred to as "Project"; and

WHEREAS, Firm has submitted to OCFA a proposal dated June 4, 2019, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by this reference; and

WHEREAS, based on its experience and reputation, Firm is qualified to provide the necessary services for the Project and desires to provide such services; and

WHEREAS, OCFA desires to retain the services of Firm for the Project.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, OCFA agrees to employ and does hereby employ Firm and Firm agrees to provide professional services as follows:

AGREEMENT

1. PROFESSIONAL SERVICES

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, Firm shall provide those services specified in the Statement of Work attached hereto as Exhibit "A" ("Services" or "Work"). Firm warrants that all Services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Firm represents and warrants that it and all employees, subconsultants and subcontractors providing any Services pursuant to this Agreement shall have a sufficient skill and experience to perform the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In the event of any inconsistency between the terms contained in the Statement of Work and/or the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement shall govern.
1.2 Compliance with Law.

All services rendered hereunder shall be provided in accordance with all laws, ordinances, resolutions, statutes, rules, and regulations of OCFA and any federal, state or local governmental agency of competent jurisdiction.

1.3 Licenses and Permits.

Firm shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

1.4 Familiarity with Work.

By executing this Agreement, Firm warrants that Firm (a) has thoroughly investigated and considered the Work to be performed, (b) has investigated the site of the Work and become fully acquainted with the conditions there existing, (c) has carefully considered how the Work should be performed, and (d) fully understands the facilities, difficulties and restrictions attending performance of the Work under this Agreement. Should the Firm discover any latent or unknown conditions materially differing from those inherent in the Work or as represented by OCFA, Firm shall immediately inform OCFA of such fact and shall not proceed with any Work except at Firm’s risk until written instructions are received from the Contract Officer.

1.5 Care of Work.

Firm shall adopt and follow reasonable procedures and methods during the term of the Agreement to prevent loss or damage to materials, papers or other components of the Work, and shall be responsible for all such damage until acceptance of the Work by OCFA, except such loss or damages as may be caused by OCFA’s own negligence.

1.6 Additional Services.

Firm shall perform services in addition to those specified in the Proposal when directed to do so in writing by the Contract Officer, provided that Firm shall not be required to perform any additional services without compensation. Any additional compensation not exceeding ten percent (10%) of the original Agreement sum must be approved in writing by the Contract Officer. Any greater increase must be approved in writing by the Purchasing Manager.

2. TIME FOR COMPLETION

The time for completion of the services to be performed by Firm is an essential condition of this Agreement. Firm shall prosecute regularly and diligently the Work of this Agreement according to the schedules set forth in Firm’s proposal. Firm shall not
be accountable for delays in the progress of its Work caused by any condition beyond its control and without the fault or negligence of Firm. Delays shall not entitle Firm to any additional compensation regardless of the party responsible for the delay.

3. **COMPENSATION OF FIRM**

3.1 **Compensation of Firm.**

For the Services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed, in accordance with the terms set forth in Exhibit “A,” in an amount not to exceed $59,920.00 (Fifty-Nine Thousand, Nine Hundred Twenty Dollars).

3.2 **Method of Payment.**

In any month in which Firm wishes to receive payment, Firm shall no later than the first working day of such month, submit to OCFA in the form approved by OCFA’s Director of Finance, an invoice for services rendered prior to the date of the invoice. OCFA shall pay Firm for all expenses stated thereon which are approved by OCFA consistent with this Agreement, within thirty (30) days of receipt of Firm’s invoice.

3.3 **Changes.**

In the event any change or changes in the Work is requested by OCFA, the parties hereto shall execute an addendum to this Agreement, setting forth with particularity all terms of such addendum, including, but not limited to, any additional fees. Addenda may be entered into:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Firm’s profession.

3.4 **Appropriations.**

This Agreement is subject to and contingent upon funds being appropriated therefore by the OCFA Board of Directors for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to OCFA.

4. **PERFORMANCE SCHEDULE**
4.1 **Time of Essence.**

Time is of the essence in the performance of this Agreement.

4.2 **Schedule of Performance.**

All Services rendered pursuant to this Agreement shall be performed within the time periods prescribed in Firm’s proposal, attached hereto as Exhibit “A”. The extension of any time period specified in Exhibit “A” must be approved in writing by the Contract Officer.

4.3 **Force Majeure.**

The time for performance of Services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Firm, including, but not restricted to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if the Firm shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the Services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 **Term.**

Unless earlier terminated in accordance with Section 8.5 or 8.6 of this Agreement, this Agreement shall continue in full force and effect until satisfactory completion of the Services.

5. **COORDINATION OF WORK**

5.1 **Representative of Firm.**

The following principal of the Firm is hereby designated as being the principal and representative of Firm authorized to act in its behalf with respect to the Work specified herein and make all decisions in connection therewith: Nick Tracy.

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principal is a substantial inducement for OCFA to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Firm and devoting sufficient time to personally supervise the Services hereunder. The foregoing principal may not be changed by Firm without the express written approval of OCFA.
5.2 **Contract Officer.**

The Contract Officer shall be Chris DeCoursey, unless otherwise designated in writing by OCFA. It shall be the Firm’s responsibility to keep the Contract Officer fully informed of the progress of the performance of the services and Firm shall refer any decisions that must be made by OCFA to the Contract Officer. Unless otherwise specified herein, any approval of OCFA required hereunder shall mean the approval of the Contract Officer.

5.3 **Prohibition Against Subcontracting or Assignment.**

5.3.1 **No Subcontracting Without Prior Approval.** The experience, knowledge, capability and reputation of Firm, its principals and employees, and the Firm Representative were a substantial inducement for OCFA to enter into this Agreement. Therefore, Firm shall not contract with any other entity to perform in whole or in part the Services required hereunder without the express written approval of OCFA.

5.3.2 **Provisions in the Event Subcontractor(s) Are Authorized.** If Firm is authorized to subcontract any part of the Services as provided in Section 5.3.1, Firm shall be responsible to OCFA for the acts and omissions of its subcontractor(s) and subconsultant(s) in the same manner as it is for persons directly employed. For purposes of this Agreement, all persons engaged in the performance of Services will be considered employees of Firm. OCFA will deal directly with and will make all payments to Firm. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and OCFA. Firm shall ensure that all subcontractor insurance requirements set forth in Section 6 below (including its subsections) are complied with prior to commencement of services by each subcontractor.

5.3.2.1 **Withholding Payment for Non-Authorized Subcontractors.** OCFA shall have the right to withhold payment from Firm for services performed by any subcontractor or subconsultant performing Services but not authorized in writing by OCFA, or regarding which the insurance or other requirements under this Agreement have not been satisfied.

5.3.3 **Assignments.** Neither this Agreement nor any interest herein may be assigned, transferred, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of OCFA. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Firm, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall
-release Firm or any surety of Firm from any liability hereunder without the express written consent of OCFA.

5.4 Independent Contractor.

5.4.1 The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor, or any of its personnel, an OCFA employee. During the performance of this Agreement, Firm and its officers, employees, and agents shall act in an independent capacity and shall not act as OCFA officers or employees. Firm will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Firm shall at all times be under Firm’s exclusive direction and control. Neither OCFA nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Firm or any of its officers, employees, or agents, except as set forth in this Agreement. Firm, its officers, employees or agents, shall not maintain a permanent office or fixed business location at OCFA’s offices. OCFA shall have no voice in the selection, discharge, supervision, or control of Firm’s officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Firm shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers’ compensation, and other similar matters. OCFA shall not in any way or for any purpose be deemed to be a partner of Firm in its business or otherwise a joint venturer or a member of any joint enterprise with Firm.

5.4.2 Firm shall not incur or have the power to incur any debt, obligation, or liability against OCFA, or bind OCFA in any manner.

5.4.3 No OCFA benefits shall be available to Firm, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Firm as provided for in this Agreement, OCFA shall not pay salaries, wages, or other compensation to Firm for the performance of any Work or Services under this Agreement. OCFA shall not be liable for compensation or indemnification to Firm, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the OCFA has financial obligations, other than pursuant to Section 2 herein, of any nature relating to salary, taxes, or benefits of Firm’s officers, employees, representatives, agents, or subconsultants or subcontractors, Firm shall defend, indemnify, and hold harmless OCFA from and against all such financial obligations.
5.5 **Employee Retirement System Eligibility Indemnification**

5.5.1 In the event that Firm or any employee, agent, or subcontractor of Firm providing any Work or Services under this Agreement claims or is determined by a court of competent jurisdiction to be eligible for enrollment in an employee retirement system as an employee of the OCFA, Firm shall indemnify, defend, and hold harmless OCFA against: (1) all such claim(s) and determination(s); (2) for the payment of any employee and/or employer contributions for employee retirement system benefits on behalf of Firm or its employees, agents or subcontractors; and (3) the payment of any penalties and interest on such contributions which would otherwise be the responsibility of the OCFA.

5.5.2 Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by OCFA, including but not limited to eligibility to enroll in PERS as an employee of OCFA and entitlement to any contribution to be paid by OCFA for employer contribution and/or employee contributions for PERS benefits.

6. **INSURANCE AND INDEMNIFICATION**

6.1 **Compliance with Insurance Requirements.** Firm shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to OCFA, all insurance required under this section. Firm shall not commence any Services under this Agreement unless and until it has provided evidence satisfactory to OCFA that it has secured all insurance required under this section. If Firm's existing insurance policies do not meet the insurance requirements set forth herein, Firm agrees to amend, supplement or endorse the policies to meet all requirements herein.

6.2 **Types of Insurance Required.** Without limiting the indemnity provisions set forth in this Agreement, Firm shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

6.2.1 **Professional Liability/Errors and Omissions Insurance ("PLI").** Firm shall obtain and maintain PLI insurance applicable to each licensed profession practiced by Firm and extending to California operations. Firm shall maintain PLI insurance with per-claim and aggregate limits no lower than one million dollars ($1,000,000.00) each occurrence and two million dollars ($2,000,000.00) aggregate. Covered professional services shall specifically include all Services to be performed under the Agreement and the policy shall be endorsed to delete any exclusions that
may exclude coverage for claims within the minimum PLI Limits for the Services to be performed under this Agreement.

6.2.1.1 The PLI policy shall be endorsed to delete any Contractual Liability Exclusion. The PLI shall include contractual liability coverage applicable to this Agreement. The policy must “pay on behalf of” the insured, and include a provision establishing the insurer’s duty to defend the insured.

6.2.1.2 If the PLI policy of insurance is written on a “claims-made” basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of all Services provided hereunder (the "PLI Coverage Period"). If any PLI policy is replaced, cancelled, non-renewed, discontinued, or otherwise terminated, or if the limits of a PLI policy are reduced or the available coverage depleted below the required minimum coverage amounts for any reason during the PLI Coverage Period, Firm shall immediately obtain replacement PLI coverage meeting the requirements of this Section 6.2.1. Such replacement coverage shall satisfy all requirements herein, and shall include coverage for the prior acts or omissions of Firm during the time period during which any Services were performed. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended “tail” coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the OCFA.

6.2.1.3 If the PLI policy is written on an “occurrence” basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the PLI policy during this period, new coverage shall immediately be obtained, and written evidence of the policy shall be immediately provided to OCFA, to ensure PLI coverage during the entire course of performing the Services.

6.2.1.4 Firm shall not perform any Services at any time during which required types or amounts of PLI insurance are not in effect, and OCFA shall have no obligation to pay Firm for Services performed while required PLI insurance is not in effect.

6.2.2 Commercial General Liability Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of CGL Insurance in the amount of at least one million dollars ($1,000,000.00) combined single limit for bodily injury, personal injury and property damage and one million dollars ($1,000,000.00) aggregate. CGL insurance shall be provided on an occurrence-based coverage form; a "claims made" CGL policy is not acceptable. Firm shall maintain CGL insurance with per-claim, aggregate and products and operations completed limits no lower than the minimum CGL coverage limits set forth above. Defense costs shall be paid in addition to the limits. The policy shall contain no
endorsements or provisions limiting coverage for any of the following: (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) any other exclusion contrary to this Agreement.

6.2.3 **Workers’ Compensation Insurance.** Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers’ Compensation Insurance in the amount of at one million dollars ($1,000,000.00) each accident, and in compliance with all other statutory requirements applicable in the State of California. Firm hereby waives on its own behalf, and shall obtain an endorsement from its workers’ compensation insurer waiving on the insurance company's behalf, all rights of subrogation against the OCFA, its board members, officials, officers, employees, agents and volunteers.

6.2.3.1 If subconsultants or subcontractors are used, Firm shall require each of its subconsultants and subcontractors, if any, to waive all rights of subrogation, and to obtain endorsements from the subconsultants'/subcontractors' workers’ compensation insurers waiving all rights of subrogation, against the OCFA, its board members, officials, officers, employees, agents and volunteers.

6.2.3.2 Firm and each of its subconsultants and subcontractors shall also maintain, in full force and effect throughout the term of this Agreement, Employer’s Liability Insurance with limits of at least one million dollars ($1,000,000.00) per injury or illness.

6.3 **Acceptability of Insurers.** Each insurance policy required by this section shall be issued by a licensed company authorized to transact business by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI)), by the latest edition of A.M. Best’s Key Rating Guide. In the event the OCFA determines that the Services to be performed under this Agreement creates an increased or decreased risk of loss to the OCFA, the Firm agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the OCFA.

6.3.1 Firm shall immediately replace any insurer whose A.M. Best rating drops below the levels specified herein with an insurer that meets the minimum requirements herein.

6.4 **Specific Insurance Provisions and Endorsements.** Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval. Required insurance policies shall contain the following provisions, or Firm shall provide endorsements on forms approved by the OCFA to add the following provisions to the insurance policies:
6.4.1 CGL Endorsements. The policy or policies of insurance required by this Agreement for CGL Insurance shall be endorsed as follows:

6.4.1.1 Additional Insured: The OCFA, its board members, officials, officers, employees, agents and volunteers, shall be additional insureds; and

6.4.1.1.1 Additional Insured Endorsements: Additional insured endorsements shall not (1) be restricted to “ongoing operations”, (2) exclude “contractual liability”, (3) restrict coverage to “sole” liability of Firm, (4) contain any other exclusions contrary to the Agreement; or (5) contain special limitations on the scope of protection afforded to additional insureds.

6.4.1.2 Primary, Non-Contributing. Each CGL insurance policy shall be endorsed to be primary and any other insurance, deductible, or self-insurance maintained by the OCFA, its board members, officials, officers, employees, agents or volunteers, shall not contribute with the primary insurance.

6.4.2 Notice of Cancellation: Each policy of any type shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice has been provided to the OCFA. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Firm’s failure to pay the insurance premium, the notice provided by the insurer to OCFA shall be by not less than ten (10) days prior written notice. (A statement that notice will be provided “in accordance with the policy terms” or words to that effect is inadequate to meet the requirements of this Section).

6.4.2.1 Pre-Payment of Policy Premium. If for any reason an insurer declines to issue an endorsement certifying that it will notify OCFA in accordance with section 6.4.2, Firm shall either obtain insurance from another insurer who will provide the required notice endorsement or shall provide evidence satisfactory to OCFA that the entire policy premium for the full term of that policy has been pre-paid such that the risk of non-payment of premiums during the term of the policy has been eliminated.

6.4.3 ACORD Forms Will Not Be Accepted in Lieu of Endorsements. By executing this Agreement, Firm certifies that it has – prior to execution of this Agreement - confirmed that its insurance company will issue each of the endorsements required by this Agreement. Firm also certifies that it understands that “ACORD” Certificate of Liability Insurance forms will not be accepted in lieu of required endorsements.

6.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the OCFA in advance. The decision
whether to approve or withhold approval of a deductible or self-insured retention shall be made by the OCFA in the OCFA’s sole and absolute discretion.

6.6 Waiver of Subrogation. All policies of Commercial General Liability shall contain or be endorsed to waive subrogation against the OCFA, its officials, officers, employees, agents and volunteers, or shall specifically allow Firm or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Firm hereby agrees to waive its own right of subrogation against the OCFA, its officials, officers, employees, agents and volunteers.

6.6.1 Waivers of Subrogation: Subconsultants and Subcontractors. If OCFA approves the use of subconsultants or subcontractors for the performance of any portion of the Services, then Firm shall obtain from each subconsultant and subcontractor, and make available to OCFA upon request, written express waivers by each subconsultant and subcontractor of the right of subrogation against the OCFA, its officials, officers, employees, agents and volunteers, and policy endorsements of each of its subconsultants’ and subcontractors’ insurance policies waiving any rights of subrogation against the OCFA, its officials, officers, employees, agents and volunteers insurer. All such waivers and endorsements shall be obtained prior to commencement of any Services by each subconsultant or subcontractor.

6.7 Evidence of Coverage. Concurrently with the execution of the Agreement, Firm shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required to be maintained by Firm by this Section 6. Firm shall promptly furnish, at OCFA’s request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents OCFA requires to verify coverage.

6.7.1 Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval.

6.7.2 Authorized Signatures. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

6.7.3 Renewal/Replacement Policies. At least fifteen (15) days prior to the expiration of any policy required by this Agreement, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the OCFA. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Firm shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the OCFA evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies meeting all requirements of this Agreement.
6.8 **Requirements Not Limiting.** Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Firm; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to the OCFA. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Firm under this Agreement. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Firm may be held responsible for losses of any type or amount.

6.9 **Enforcement of Agreement (Non-Estoppel).** Firm acknowledges and agrees that actual or alleged failure on the part of the OCFA to inform Firm of any non-compliance with any of the insurance requirements set forth in this Agreement imposes no additional obligation on the OCFA nor does it waive any rights hereunder.

6.10 **Insurance for Subconsultants.** If OCFA approves the use of subconsultants or subcontractors for the performance of any portion of the Services, then Firm shall be responsible for causing each approved subconsultant and subcontractor to procure and maintain insurance in the same types and amounts required for Firm, and in full compliance with the insurance requirements set forth in this Agreement, except as otherwise authorized in writing by the Contract Manager.

6.10.1 **Delivery of Evidence of Subcontractor Insurance.** Upon request of OCFA, Firm shall deliver to OCFA all certificates of insurance and endorsements required from subcontractors and subconsultants. (Note: Firm’s duty to obtain all required insurance for subcontractors and subconsultants required under this Agreement applies whether or not OCFA requests delivery of evidence of such coverage.)

6.11 **Other Insurance Requirements.** The following terms and conditions shall apply to the insurance policies required of Firm and its subconsultants and subcontractors, if any, pursuant to this Agreement:

6.11.1 Firm shall provide immediate written notice to OCFA if (1) any of the insurance policies required herein are terminated, cancelled, suspended, or non-renewed (2) the limits of any of the insurance coverages required herein are reduced; (3) any required insurance coverage is reduced below the required minimum limits through claims or otherwise, or (4) the deductible or self-insured retention is increased.
6.11.2 All insurance coverage and limits required under this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the OCFA or its operations shall limit the application of such insurance coverage.

6.11.3 None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the OCFA and approved in writing.

6.11.4 Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay the Project. It is Firm’s obligation to ensure timely compliance with all insurance submittal requirements as provided herein and Firm agrees to reimburse OCFA for any losses resulting from its failure, or its subconsultants’ or subcontractors' failure, to timely comply with the requirements of this Agreement.

6.11.5 Firm agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Firm, provide the same minimum insurance coverage required of Firm. Firm agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Firm agrees that upon request, all agreements with, and evidence of insurance from, subconsultants and subcontractors and others engaged in performing any Services will be submitted to the OCFA for review.

6.11.6 Firm agrees to provide immediate written notice to OCFA of any claim, demand or loss arising out of the Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to an amount less than required by this Agreement.

6.12 Indemnification.

To the fullest extent permitted by law, Firm shall defend (at Firm’s sole cost and expense with legal counsel reasonably acceptable to OCFA), indemnify and hold the OCFA, its board members, officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively “Claims”) in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Firm, its officers, directors, employees, subconsultants, subcontractors, agents or invitees in connection with performance under this Agreement and Firm’s provision of airspace authorization services.
contemplated by Exhibit “A” hereto, or in any manner arising out of, pertaining to, related to, or incident to an alleged breach of this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys’ fees and other related costs and expenses.

Notwithstanding the foregoing, and only to the extent that the Services performed by Firm are subject to California Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Firm.

Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Firm’s indemnification obligation or other liability hereunder. Notwithstanding the foregoing, such obligation to defend, hold harmless and indemnify the OCFA, its board members officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims are caused by the sole negligence or willful misconduct of that indemnified party.

7. RECORDS AND REPORTS

7.1 Reports.

Firm shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

7.2 Records.

Firm shall keep such books and records as shall be necessary to properly perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records.

7.3 Ownership of Documents.

Except as provided in Section 7.5, all drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of this Agreement shall be the property of OCFA and shall be delivered to OCFA upon request of the Contract Officer or upon the termination of this Agreement, and Firm shall have no claim for further employment or additional compensation as a result of the exercise by OCFA of its full rights or ownership of the documents and materials hereunder. Firm may retain copies of such documents for its own use. Firm shall have an unrestricted right to use the concepts embodied therein.
7.4 Release of Documents.

All drawings, specifications, reports, records, documents and other materials prepared by Firm in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

7.5 Confidential Materials

Notwithstanding anything to the contrary in this Agreement, the Firm shall be the sole owner of Firm’s work papers and of any other documents, data or information which are required to be maintained confidential from OCFA by one or more rules of professional conduct governing the Firm’s profession(s) (collectively, the “Confidential Materials”). Neither the OCFA nor the Contract Officer shall have access to the Confidential Materials except as may otherwise be required by order issued by a court of competent jurisdiction.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law.

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Firm covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Waiver.

No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of OCFA shall be deemed to waiver or render unnecessary OCFA’s consent to or approval of any subsequent act of Firm. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.3 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.
8.4 **Legal Action.**

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

8.5 **Termination Prior to Expiration of Term.**

OCFA reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Firm, except that where termination is due to the fault of the Firm and constitutes an immediate danger to health, safety and general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Firm shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Firm shall be entitled to compensation for all services rendered prior to receipt of the notice of termination and for any services authorized by the Contract Officer thereafter.

Firm may terminate this Agreement, with or without cause, upon thirty (30) days written notice to OCFA.

8.6 **Termination for Default of Firm.**

If termination is due to the failure of the Firm to fulfill its obligations under this Agreement, OCFA may take over the work and prosecute the same to completion by contract or otherwise, and the Firm shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated, provided that OCFA shall use reasonable efforts to mitigate damages, and OCFA may withhold any payments to the Firm for the purpose of set-off or partial payment of the amounts owed to OCFA.

8.7 **Attorneys’ Fees.**

If either party commences an action against the other party arising out of or in connection with this Agreement or its subject matter, the prevailing party shall be entitled to recover reasonable attorneys’ fees and costs of suit from the losing party.

9. **OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION**

9.1 **Non-Liability of OCFA Officers and Employees.**

No officer or employee of OCFA shall be personally liable to the Firm, or any successor-in-interest, in the event of any default or breach by OCFA or for any
amount which may become due to the Firm or its successor, or for breach of any obligation of the terms of this Agreement.

9.2 **Covenant Against Discrimination.**

Firm covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry. Firm shall take affirmative action to insure that applicants and employees are treated without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

10. **MISCELLANEOUS PROVISIONS**

10.1 **Confidentiality.**

Information obtained by Firm in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Firm for any purpose other than the performance of this Agreement without the written consent of OCFA.

10.2 **Notice.**

Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this Section.

To OCFA: Orange County Fire Authority
Attention: Chris DeCoursey
1 Fire Authority Road
Irvine, CA 92602

To Firm: VO Engineering
Attention: Nick Tracy
13230 Evening Creek Drive South
Suite 207
San Diego, CA 92127

10.2 **Integrated Agreement.**

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.
10.3 **Amendment.**

This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

10.4 **Severability.**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

10.5 **Corporate Authority.**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

“OCFA”

ORANGE COUNTY FIRE AUTHORITY

Date:_____________________________  By:______________________________
Debbie Casper, Purchasing Manager

APPROVED AS TO FORM.

By:______________________________
DAVID E. KENDIG
GENERAL COUNSEL

Date:_____________________________

ATTEST:

By:______________________________
Sherry A.F. Wentz
Clerk of the Authority

“FIRM”

VO ENGINEERING INC.

Date:_____________________________  By:______________________________
Van Olin, President

By:______________________________
Nick Tracy, Engineer
EXHIBIT “A”
Orange County Fire Authority  
1 Fire Authority Road, Building C  
Irvine, CA 92602

June 4, 2019

Project No.: V-0519-1

Attention: Mr. Chris DeCoursey, P.E.

Project: Fire Station Facility No. 42 Improvements  
19150 Ridgeline Road  
Trabuco Canyon, California

Subject: Construction Monitoring Services Proposal


Dear Mr. DeCoursey,

VO Engineering, Inc. (VOE) is pleased to submit our proposal to provide construction monitoring services for the remediation project for Orange County Fire Station Facility No. 42 located in Trabuco Canyon, California. The remedial work consists of two separate improvements as follows:

1. Removing the existing north retaining wall and replacing with a new wall.
2. Mudjacking underneath the existing concrete floor slab of the fire station facility.

VOE’s scope of services will consist of construction monitoring services to ensure that construction activities are in accordance with the project plans and specifications. Our anticipated scope of services and the estimated costs (attached) are based on our previous investigations of the site, preparation of the plans, and our experience with similar projects.

The estimated cost of services for the above-mentioned scope is as follows:

<table>
<thead>
<tr>
<th>Task</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 – Construction Monitoring (Retaining Wall)</td>
<td>$40,580.00</td>
</tr>
<tr>
<td>Task 2 – Construction Monitoring (Fire Station Slab)</td>
<td>$19,340.00</td>
</tr>
<tr>
<td>Geotechnical Services Estimated Total(1)</td>
<td>$59,920.00</td>
</tr>
</tbody>
</table>

(1) Note: See attached scope and cost estimate

Our construction monitoring services are directly related to your construction schedule. As such, the final cost of our services may vary according to the actual number of observation and consultation hours and tests performed. This proposal has assumed a construction timeline of 12 weeks for the retaining wall and 4 weeks for the repair of the fire station slab with part-time inspection (2 days per week). Additional services that may be required will be invoiced in accordance with our current fee schedule.
Neither the presence of our field representative nor the observation and testing by our firm shall imply VOE’s responsibility for defects discovered in the construction work. VOE is not responsible for job or site safety on this project. Job site safety is the sole responsibility of the contractor. The words “inspection” and “verify” are used to mean observation of the work and testing to evaluate substantial compliance with the approved project plans and specifications within our purview.

VOE appreciates being of service to you in this matter and we look forward to working with you. If you have any questions or require additional information, please do not hesitate to contact the undersigned at 858.205.4269.

Respectfully Submitted,
VO Engineering, Inc.

Nick Tracy, PE, GE
Senior Geotechnical Engineer

Van Olin, PE, GE
Principal Geotechnical Engineer

NT/VO: bm

Attachment: Scope & Cost Estimate
2019 Fee Schedule

Distribution: (1) Addressee
## Task 1: Construction Monitoring (Retaining Wall)

### Construction Meetings & Consultation
- **Project Engineer**
  - 44 hrs. @ $140.00 /hr.
  - $6,160.00
- **Principal Engineer**
  - 16 hrs. @ $160.00 /hr.
  - $2,560.00
- **Trip Charge**
  - 8 trips @ $150.00 ea.
  - $1,200.00

### Grading Observations
- **Senior Soil Technician**
  - 192 hrs. @ $97.50 /hr.
  - $18,720.00
- **Project Engineer**
  - 24 hrs. @ $140.00 /hr.
  - $3,360.00
- **Trip Charge**
  - 24 trips @ $150.00 ea.
  - $3,600.00

### Laboratory Testing
- **Sieve Analysis**
  - 4 tests @ $140.00 ea.
  - $560.00
- **Maximum Dry Density**
  - 4 tests @ $175.00 ea.
  - $700.00

### Final Report
- **Staff Engineer**
  - 16 hrs. @ $105.00 /hr.
  - $1,680.00
- **Project Engineer**
  - 10 hrs. @ $140.00 /hr.
  - $1,400.00
- **Principal Engineer**
  - 4 hrs. @ $160.00 /hr.
  - $640.00

**Construction Monitoring (Retaining Wall) Subtotal**: $40,580.00

## Task 2: Construction Monitoring (Fire Station Facility)

### Construction Meetings & Consultation
- **Project Engineer**
  - 20 hrs. @ $140.00 /hr.
  - $2,800.00
- **Principal Engineer**
  - 12 hrs. @ $160.00 /hr.
  - $1,920.00
- **Trip Charge**
  - 4 trips @ $150.00 ea.
  - $600.00

### Foundation/Mudjecting Observations
- **Staff Engineer/Geologist**
  - 64 hrs. @ $105.00 /hr.
  - $6,720.00
- **Project Engineer**
  - 16 hrs. @ $140.00 /hr.
  - $2,240.00
- **Trip Charge**
  - 8 trips @ $150.00 ea.
  - $1,200.00

### Laboratory Testing
- **Sieve Analysis**
  - 2 tests @ $140.00 ea.
  - $280.00
- **Expansion Index**
  - 2 tests @ $140.00 ea.
  - $280.00

### Final Report
- **Staff Engineer**
  - 12 hrs. @ $105.00 /hr.
  - $1,260.00
- **Project Engineer**
  - 10 hrs. @ $140.00 /hr.
  - $1,400.00
- **Principal Engineer**
  - 4 hrs. @ $160.00 /hr.
  - $640.00

**Construction Monitoring (Fire Station Slab) Subtotal**: $19,340.00

**Combined Estimated Total**: $59,920.00

Notes:
1. Assuming a 12 week construction schedule for construction monitoring of the retaining wall with part-time observation (2 days per week).
2. Assuming a 4 week construction schedule for construction monitoring of the fire station facility slab with part-time observation (2 days per week).
3. Additional services requested will be charged in accordance with VOE’s Fee Schedule.
2019 Prevailing Wage Fee Schedule

Personnel Services

<table>
<thead>
<tr>
<th>Professional Services</th>
<th>Price / Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Engineer / Geologist (per hour)</td>
<td>160.00</td>
</tr>
<tr>
<td>Project Engineer / Geologist (per hour)</td>
<td>140.00</td>
</tr>
<tr>
<td>Staff Engineer / Geologist (per hour)</td>
<td>105.00</td>
</tr>
<tr>
<td>Senior Soil Technician (per hour)</td>
<td>97.50</td>
</tr>
</tbody>
</table>

Support Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Price / Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word Processing / Report Preparation (per hour)</td>
<td>50.00</td>
</tr>
<tr>
<td>Illustrator (per hour)</td>
<td>85.00</td>
</tr>
</tbody>
</table>

Court Appearance / Depositions

| Deposition/Testimony (per hour)                  | 250.00       |
| Evidence Storage (per month)                     | 60.00        |

Materials Testing

<table>
<thead>
<tr>
<th>Test/Method</th>
<th>Price / Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hveem Stability &amp; Unit Weight</td>
<td>165.00</td>
</tr>
<tr>
<td>Marshall Stability, Flow &amp; Unit Weight (3 ea)</td>
<td>190.00</td>
</tr>
<tr>
<td>Maximum Theoretical Unit Weight (Rice)</td>
<td>95.00</td>
</tr>
<tr>
<td>Extraction - Ignition Oven (including gradation)</td>
<td>190.00</td>
</tr>
<tr>
<td>Extraction - Solvent Method (including gradation)</td>
<td>215.00</td>
</tr>
</tbody>
</table>

Aggregates

<table>
<thead>
<tr>
<th>Test/Method</th>
<th>Price / Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durability Index, Coarse Aggregate</td>
<td>110.00</td>
</tr>
<tr>
<td>Durability Index, Fine Aggregate</td>
<td>85.00</td>
</tr>
<tr>
<td>Petrographic Analysis</td>
<td>Quote</td>
</tr>
</tbody>
</table>

Soils

<table>
<thead>
<tr>
<th>Test/Method</th>
<th>Price / Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sieve Analysis Coarse Aggregate</td>
<td>65.00</td>
</tr>
<tr>
<td>Sieve Analysis Fine Aggregate (Includes Wash)</td>
<td>75.00</td>
</tr>
<tr>
<td>Corrosion series (res., pH, Cl, SO4)</td>
<td>300.00</td>
</tr>
<tr>
<td>Consolidation</td>
<td>300.00</td>
</tr>
<tr>
<td>Direct shear (undisturbed ring sample)</td>
<td>250.00</td>
</tr>
<tr>
<td>Direct shear (remolded sample)</td>
<td>285.00</td>
</tr>
<tr>
<td>Expansion Index</td>
<td>140.00</td>
</tr>
<tr>
<td>Maximum Density (ASTM D-1557)</td>
<td>175.00</td>
</tr>
<tr>
<td>R-Value</td>
<td>300.00</td>
</tr>
</tbody>
</table>

General Conditions

Testing Samples - A preparation charge will be added to all samples submitted to the laboratory that are not ready for testing. There will be a 50% premium charge for "RUSH/PRIORITY" testing.

Scheduling - A minimum of 24 hours' notice is required to schedule personnel. For same day scheduling, a 50% premium applies. If less than 24 hours' notice is provided on a cancellation, a cancellation charge of 2 hours will be assessed.

Overtime Rates - Rates are based on an 8-hour workday between the hours of 7:30 a.m. and 3:30 p.m., Monday through Friday. Work outside of these hours or in excess of 8 hours in one day or over 40 hours in one week will be charged a premium of 1.5 times the quoted rates. Work over 12 hours in one day or over 8 hours on the 7th consecutive day or worked holidays will be charged at 2.0 times quoted rates.

Minimum Charges - Hours will be charged upon portal-to-portal basis. For inspection call-out between 0 and 4 hours a minimum charge of 4 hours will be applied. Eight (8) hours will be charged for work performed over 4 hours up to eight hours. A 2-hour minimum will apply for unscheduled cancellations. A 4-hour minimum charge shall apply to all cancellations after inspector has been dispatched.

Holidays - The following holidays are observed: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving and Christmas Day. Should a holiday fall on Saturday or Sunday, the closest previous or following regular workday will be observed for the holiday.

Transportation - Transportation will be charged at $0.58 per mile for all projects.

Per Diem - A per diem charge of $35.00 per day plus reasonable lodging costs shall be included for all out of town assignments.

Outside Services / Subcontractors - Cost plus 15% will be charged for any work not directly performed or for any materials procured.

Engineering Review/Report Preparation - Engineering time of one-half (1/2) hour (at project engineer rate) per inspection day will be included for scheduling, report review, and data evaluation. Secretarial time for typing, copying, and distributing will be billed at a minimum of 1 hour per week and includes up to 3 copies of the report. Additional copies will be billed at $2.00 per report.

Fees - The rates are subject to a 7% annual escalation.

Prevailing Wage - If asked to work on a craft, or union-based or under a prevailing wage determination, hourly rates will be negotiable. An $120 per week per project processing fee of certified payroll will be assessed on Prevailing Wage Projects.

Billing and Payment - Client shall pay the minimum amount quoted in the Proposal, or, if no minimum amount is included, fees will be charged on a unit price basis. Backup data on billing will not be available unless prior arrangements have been made. Prior to initiation of the services, Client is required to remit any retainers specified in the Proposal. Thereafter, we will submit to Client invoices for the balance due, which shall be due and payable immediately upon submission. If Client objects to all or any portion of any invoice, Client will so notify us in writing within fourteen (14) calendar days of the invoice date, identifying the cause of disagreement, and immediately paying that portion of the invoice not in dispute. In the absence of written notification described above, the balance as stated on the invoice shall be deemed accepted. Invoices are delinquent if payment has not been received within thirty (30) days from date of invoice. In such event, Client shall pay an additional charge of 1.5 percent per month (or the maximum percentage allowed by law, whichever is lower) on any delinquent amount. Payment thereafter will first be applied to accrued interest and then to the principal unpaid amount. Consultant shall be entitled to recover for all staff time spent and expenses incurred (including any attorney fees) in connection with collection of any delinquent amount. Special Billing Process Charge & Forms will be $35.00 per invoice. This Fee Schedule contains only the basic services performed by this office and is not a complete listing. Please contact us with any questions concerning services not listed herein or should you need a cost estimate, proposal or qualification package.

VO Engineering, Inc.  Geotechnical Engineering Consultants  Phone: 858.205.4269