



# ORANGE COUNTY FIRE AUTHORITY AGENDA

## EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, October 26, 2023  
5:30 P.M.

Regional Fire Operations and Training Center  
Board Room  
1 Fire Authority Road  
Irvine, CA 92602

Vince Rossini, Chair • John O'Neill, Vice Chair  
Dave Shawver • Shelley Hasselbrink • Donald P. Wagner  
Noel Hatch • Mark Tettermer • Phil Bacerra • Gene Hernandez  
Ex Officio Member - Dennis Wilberg, Mission Viejo

### NOTICE REGARDING PUBLIC ACCESS AND PARTICIPATION

This meeting is open to the public. Committee members will participate in person. There are several alternative ways to make comments including:

**In Person Comments at Meeting:** 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 Committee on items within their 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 Committee and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

If you wish to speak, 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 item being considered. Speaker Forms are available at the entryway of meeting location.

**E-Comments:** Alternatively, you may email your written comments to [coa@ocfa.org](mailto:coa@ocfa.org). E-comments will be provided to the Committee members upon receipt and will be part of the meeting record as long as they are received during or before the Committee takes action on an item. Emails related to an item that are received after the item has been acted upon by the Committee will not be considered.

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 committee members 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 the 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>



In compliance with the Americans with Disabilities Act and [Board of Directors policy](#), if you need reasonable accommodations to participate in this meeting, please complete the [ADA Reasonable Accommodation Form](#) available on the Agency's website and email to [COA@ocfa.org](mailto:COA@ocfa.org), or you may contact the Clerk of the Authority at (714) 573-6040 during regular business hours to submit your request orally. Please notify us at least 48 hours prior to the meeting to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

**CALL TO ORDER** by Chair Rossini

**INVOCATION** by OCFA Chaplain Jim Gwaltney

**PLEDGE OF ALLEGIANCE** by Director Noel Hatch

**ROLL CALL** by Clerk of the Authority

**REPORTS**

**A. Report from Budget and Finance Committee Chair O’Neill**

**PUBLIC COMMENTS**

**Please refer to instructions on how to submit a public comment on Page 1 of this Agenda.**

**1. PRESENTATIONS**

None

**2. 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. Minutes for the Executive Committee Meeting**

Submitted by: Maria D. Huizar, Clerk of the Authority

The record will show that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Recommended Action:

Approve the Minutes for the September 28, 2023, Regular Meeting as submitted.

**B. Monthly Investment Reports**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer/Treasury & Financial Planning and James Slobojan, Assistant Treasurer/ Treasury & Financial Planning

On October 17, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Bourne, Gabbard, and Hasselbrink absent).

Recommended Action:

Receive and file the reports.

**C. Blanket Order Contract Renewal for Fire Station Alerting System Maintenance**

Submitted by: Jim Ruane, Assistant Chief/Logistics Department and Joel Brodowski, IT Division Manager

Recommended Action:

Approve and authorize the Purchasing Manager to extend and increase the annual maintenance contract with Westnet for up to five years based on the proposed pricing schedule with the ability to increase the annual amount as additional equipment is added up to an amount not to exceed an average of \$300,000 annually (\$1,500,000 total five-year term).

**D. Cooperative Contract – Blanket Order for Wireless Service and Hardware**

Submitted by: Jim Ruane, Assistant Chief/Logistics Department and Joel Brodowski, IT Division Manager

Recommended Actions:

1. Approve and authorize the Purchasing Manager to increase Blanket Order contract B02291 with ATT/Firstnet Wireless from \$30,000 to a new amount not to exceed \$236,697 annually, utilizing the NASPO Valuepoint cooperative contract #MA 149 and a term ending May 22, 2025, with one (1) two-year option to extend at the State's sole discretion.
2. Approve and authorize the Purchasing Manager to increase the above-described contract with ATT/Firstnet Wireless for services as needed not-to-exceed 3% per year, provided that the cooperative agreement is in effect and funding is available.

**E. Agreement with Citygate Associates, LLC for Field Deployment Standards of Cover (SOC) Plan Update**

Submitted by: TJ McGovern, Deputy Chief/Emergency Operations Bureau and Paul Whittaker, Division Chief/Strategic Services

Recommended Action:

Approve and Authorize the Purchasing Manager to enter into a Professional Services Agreement with Citygate Associates, LLC, utilizing the sole source procurement provision in the Purchasing Ordinance, to update the Standards of Cover Plan for an amount not to exceed \$70,731.

**2. DISCUSSION CALENDAR**

None

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next meeting will be a Regular Meeting of the Executive Committee on Thursday, November 16, 2023, at 5:30 p.m.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case 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.

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 Maria D. Huizar, CMC  
 Clerk of the Authority

**FUTURE EC AGENDA ITEMS – THREE-MONTH OUTLOOK:**

- Monthly Investment Report
- Quarterly CIP Update
- 1<sup>st</sup> Quarter Financial Newsletter
- 1<sup>st</sup> Quarter Purchasing Report

**UPCOMING MEETINGS:**

Human Resources Committee  
 Budget & Finance Committee  
 Operations Committee  
 Executive Committee  
 Board of Directors

Tuesday, November 7, 2023, 12 noon  
 Wednesday, November 8, 2023, 12 noon  
 Tuesday, November 14, 2023, 12 noon  
 Thursday, November 16, 2023, 5:30 p.m.  
 Thursday, November 16, 2023, 6:00 p.m.

# MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting  
Thursday, September 28, 2023  
5:30 P.M.**

**Regional Fire Operations and Training Center  
Board Room  
1 Fire Authority Road  
Irvine, CA 92602**

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## **CALL TO ORDER**

Chair Vince Rossini called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:30 p.m. on September 28, 2023.

## **INVOCATION**

The Invocation was led by Chaplain Gerardo Arenado.

## **PLEDGE OF ALLEGIANCE**

Director Hasselbrink led the assembly in the Pledge of Allegiance.

## **ROLL CALL**

**Present:** Vince Rossini, Villa Park, Chair  
John O'Neill, Garden Grove, Vice Chair  
Phil Bacerra, Santa Ana  
Shelley Hasselbrink, Los Alamitos  
Noel Hatch, Laguna Woods  
Gene Hernandez, Yorba Linda  
Mark Tetterer, Lake Forest  
Donald P. Wagner, County of Orange

**Absent:** Dave Shawver, Stanton  
Dennis Wilberg, Ex-Officio

## **Also present were:**

Fire Chief Brian Fennessy	Deputy Chief Lori Zeller
Assistant Chief Robert Cortez	Deputy Chief TJ McGovern
Assistant Chief Lori Smith	Assistant Chief Jim Ruane
Assistant Chief Stephanie Holloman	Assistant Chief Tim Perkins
Director of Communications Matt Olson	General Counsel David Kendig
Clerk of the Authority Maria D. Huizar	

## REPORTS

### A. Report from the Budget and Finance Committee Chair

Budget and Finance Committee Chair John O'Neill reported that at its September 13, 2023, meeting, the Committee reviewed and by a unanimous vote recommended forwarding the following to the Executive Committee to receive and file the reports: Monthly Investment Reports, Fourth Quarter Financial Newsletter, Fourth Quarter Purchasing Report, and the Annual Investment Report.

## PUBLIC COMMENTS

None.

### 1. PRESENTATIONS

None.

### 2. CONSENT CALENDAR

On motion of Director Tetterer and second by Director Hernandez approved Agenda Item Nos. 2A-2E by consensus (Director Shawver absent).

Agenda Item No. 2F was pulled by Director Tetterer for separate action.

#### A. Minutes for the Executive Committee Meeting (FILE 12.02A2)

Action: Approve the Minutes for the July 27, 2023, Regular Meeting as submitted.

#### B. Monthly Investment Reports (FILE 11.10D2)

On September 13, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Bourne, Patel, and Hasselbrink absent).

Action: Receive and file the reports.

#### C. Fourth Quarter Financial Newsletter (FILE 15.07)

On September 13, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Bourne, Patel, and Hasselbrink absent).

Action: Receive and file the report.

**D. Fourth Quarter Purchasing Report(FILE 11.10H1)**

On September 13, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Bourne, Patel, and Hasselbrink absent).

Action: Receive and file the report.

**E. Annual Investment Report (FILE 11.10D1)**

On September 13, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Bourne, Patel, and Hasselbrink absent).

Action: In compliance with Section 18.2 of the Orange County Fire Authority’s Investment Policy, receive and file the report.

**F. Award of Contract for Mobile Computer Aided Dispatch Program RFP RO2596 (FILE 19.08A3a)**

Director Tetteimer pulled the item for separate action.

On motion of Director Hernandez and second by Director Bacerra, approved 7-1 (Director Tetteimer opposed, Director Shawver absent) to authorize the Purchasing Manager to issue a blanket order for a five-year term for a Mobile Computer Aided Dispatch program based on the pricing provided in the Best and Final Offer (BAFO) for an annual contract amount of \$202,000 for the first year and increases not to exceed 5% annually for years two through five.

**3. DISCUSSION CALENDAR**

None.

**COMMITTEE MEMBER COMMENTS**

None.

**ADJOURNMENT** – Chair Rossini adjourned the meeting at 5:45 p.m. The next meeting will be a Regular Meeting of the Executive Committee on Thursday, October 26, 2023, at 5:30 p.m.

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Maria D. Huizar, CMC  
Clerk of the Authority



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
October 26, 2023

Agenda Item No. 2B  
Consent Calendar

**Monthly Investment Reports**

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**Contact(s) for Further Information**

Robert Cortez, Assistant Chief Business Services Department	<a href="mailto:robertcortez@ocfa.org">robertcortez@ocfa.org</a>	714.573.6012
Tricia Jakubiak, Treasurer Treasury & Financial Planning	<a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a>	714.573.6301
James Slobojan, Assistant Treasurer Treasury & Financial Planning	<a href="mailto:jameslobojan@ocfa.org">jameslobojan@ocfa.org</a>	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**

On October 17, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Bourne, Gabbard, and Hasselbrink absent).

**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 August 31, 2023. A preliminary investment report as of September 22, 2023, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

Final Investment Report – August 2023/Preliminary Report – September 2023



# *Orange County Fire Authority Monthly Investment Report*



*Final Report – August 2023*

*Preliminary Report – September 2023*



## ***Monthly Investment Report Table of Contents***

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***Orange County Fire Authority***

***Final Investment Report***

***August 31, 2023***



## **EXECUTIVE SUMMARY**

### ***Portfolio Activity & Earnings***

During the month of August 2023, the size of the portfolio decreased by \$31 million to approximately \$211.4 million. Receipts for the month totaled \$8.9 million, including receipts from cash contract payments totaling \$6.3 million, and various grant reimbursement payments and charges for current services totaling approximately \$2.3 million. Total August cash outflows amounted to nearly \$40.5 million. Significant disbursements for the month included two biweekly payrolls and related benefits totaling approximately \$30.7 million. The portfolio's balance is expected to decrease in September as expenditures will exceed projected receipts. In August, the portfolio's yield to maturity (365-day equivalent) decreased by twelve basis points to 3.24%. The effective rate of return decreased by 4 basis points to 3.22% for the month, while the average maturity of the portfolio decreased by 3 days to 48 days to maturity.

### ***Economic News***

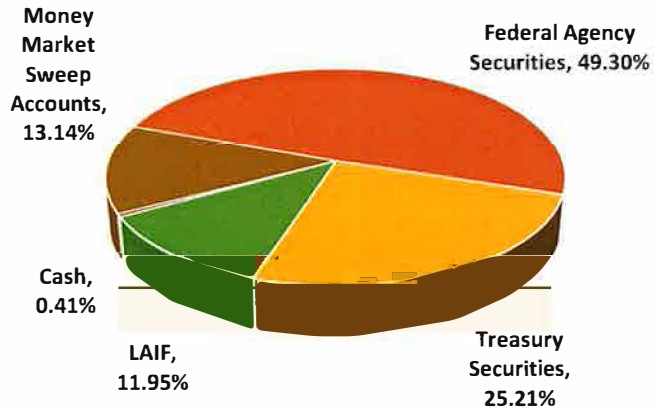
Nonfarm payroll employment increased 187,000 in August 2023, and the unemployment rate rose from 3.5% to 3.8%. Average hourly earnings were up 4.3% over last year. Job gains occurred in health care, leisure and hospitality, social assistance, and construction. Retail sales increased 0.6% in August, and up 2.5% from August 2022. This was the fifth consecutive month in which consumer spending has increased. Consumer spending was led by sales at gasoline stations as gas prices jumped strongly during the period, followed by clothing and accessories and electronics stores. U.S. Consumer confidence decreased in August as the labor market cooled, gasoline prices continued to increase, and higher interest rates caused larger purchases to be postponed. However, most consumers polled are less concerned of a recession.

The Consumer Price Index (CPI) rose 0.6% in August and 3.7% over last year, with more than half of the increase attributed to the rise in gasoline prices, followed by airfare and higher costs for auto insurance. In the upcoming months there are issues to watch that may place additional pressure on prices, most notably the decision by Saudi Arabia to cut oil production, followed by the United Auto Workers union decision to strike. The Producer Price Index (PPI), which measures the prices paid by wholesalers, increased 0.7% for the month of August and 1.6% for the year. That is the biggest monthly increase since June 2022. PPI is considered a forward-looking inflation measure as it tracks prices in the pipeline for goods and services that eventually reach consumers. In August, housing starts dropped 11.3% while builder permits rose by 6.9%. Adding to the concerns are mortgage rates above 7% which may affect future housing starts as spending power is diminished for future homebuyers, especially first-time buyers. The Federal Reserve met on September 20<sup>th</sup> and held rates steady with the target interest rate remaining at 5.25% - 5.50%. They signaled they may hike interest rates one more time this cycle and then leave rates higher for longer. They will meet next on November 1, 2023.

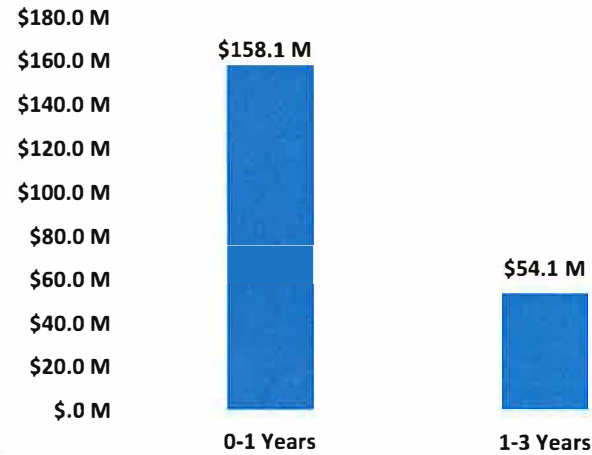


OCFA'S PORTFOLIO HAS AMPLE LIQUIDITY AS OF AUGUST 31, 2023

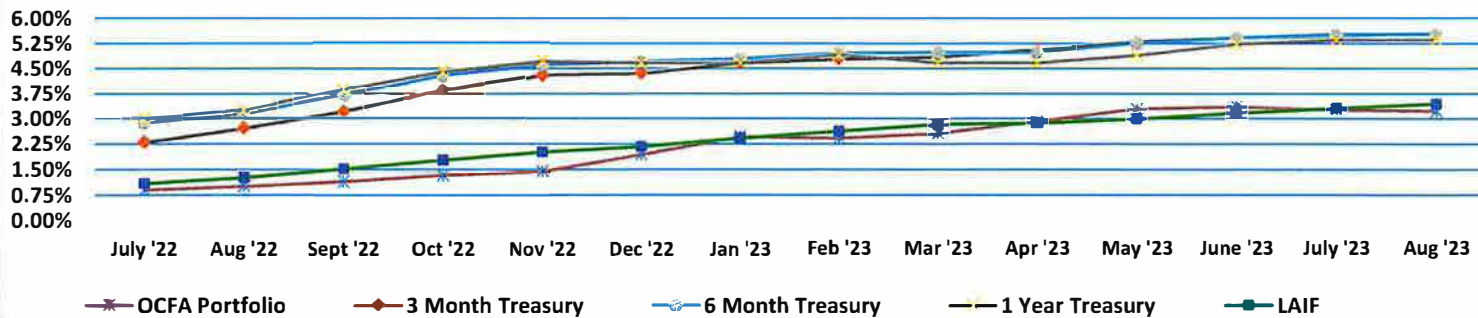
Market Value \$212,296,523



Aging Summary



12 Month Benchmarks





**BENCHMARK COMPARISON AS OF AUGUST 31, 2023**

<i>3 Month T-Bill:</i> 5.56%	<i>1 Year T-Bill:</i> 5.37%
<i>6 Month T-Bill:</i> 5.54%	<i>LAIF:</i> 3.43%
<i>OCFA Portfolio:</i> 3.22%	

**PORTFOLIO SIZE, YIELD, & DURATION**

	<u><i>Current Month</i></u>	<u><i>Prior Month</i></u>	<u><i>Prior Year</i></u>
<i>Book Value</i>	\$211,353,381	\$242,473,109	\$160,942,162
<i>Yield to Maturity (365 day)</i>	3.24%	3.36%	1.07%
<i>Effective Rate of Return</i>	3.22%	3.26%	1.01%
<i>Days to Maturity</i>	48	51	22



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**August 31, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

Investments	Par Value	See Note 1 on page 10	See Note 2 on page 10	% of Portfolio	Term	Days to Mat./Call	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
		Market Value	Book Value					
Money Mkt Mutual Funds/Cash	27,888,025.68	27,888,025.68	27,888,025.68	12.91	1	1	5.003	5.073
Federal Agency Coupon Securities	81,450,000.00	77,267,810.50	81,451,153.14	37.71	1,318	34	0.553	0.560
Federal Agency Disc. -Amortizing	28,000,000.00	27,388,200.00	27,365,702.79	12.67	248	158	5.201	5.274
Treasury Discounts -Amortizing	54,000,000.00	53,519,680.00	53,537,562.78	24.79	152	60	5.174	5.246
Local Agency Investment Funds <small>See Note 5 on page 10</small>	25,753,000.49	25,362,288.82	25,753,000.49	11.92	1	1	3.387	3.434
<b>Investments</b>	<b>217,091,026.17</b>	<b>211,426,005.00</b>	<b>215,995,444.88</b>	<b>100.00%</b>	<b>567</b>	<b>48</b>	<b>3.200</b>	<b>3.244</b>
<b>Cash</b>								
Passbook/Checking <small>(not included in yield calculations)</small>	870,518.58	870,518.58	870,518.58		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>217,961,544.75</b>	<b>212,296,523.58</b>	<b>216,865,963.46</b>		<b>567</b>	<b>48</b>	<b>3.200</b>	<b>3.244</b>

Total Earnings	August 31 Month Ending	Fiscal Year To Date
Current Year	616,361.44	1,297,785.64
<b>Average Daily Balance</b>	<b>225,458,439.79</b>	<b>238,492,829.92</b>
<b>Effective Rate of Return</b>	<b>3.22%</b>	<b>3.20%</b>

"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, 2023. 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 Jakubiak, Treasurer

9/1/23

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 216,865,963.46
GASB 31 Adjustment to Books (See Note 3 on page 10)	\$ (5,512,582.65)
<b>Total</b>	<b>\$ 211,353,380.81</b>

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**August 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	See Note 1 on page 10	See Note 2 on page 10	Stated Rate	YTM/Call 365	Days to Mat./Call	Maturity Date
						Market Value	Book Value				
<b>Money Mkt Mutual Funds/Cash</b>											
SYS1042	1042	US Bank - Treasury Obligations			13,076,417.84	13,076,417.84	13,076,417.84	5.223	5.223	1	
SYS528	528	MUFG Treasury Obligations		07/01/2023	0.00	0.00	0.00	4.620	4.620	1	
SYS530	530	US Bancorp Sweep Account			14,811,607.84	14,811,607.84	14,811,607.84	4.940	4.940	1	
<b>Subtotal and Average</b>			<b>14,541,308.63</b>		<b>27,888,025.68</b>	<b>27,888,025.68</b>	<b>27,888,025.68</b>		<b>5.073</b>	<b>1</b>	
<b>Federal Agency Coupon Securities</b>											
3133EMLE0	1020	Federal Farm Credit Bank (Continuous Call)		12/23/2020	14,000,000.00	13,955,620.00	14,000,000.00	0.190	0.194	0	09/22/2023
3133EMWH1	1030	Federal Farm Credit Bank (Callable 10/21/2023)		04/22/2021	3,000,000.00	2,787,450.00	3,001,153.14	0.710	0.671	20	04/21/2025
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,143,800.00	12,000,000.00	0.720	0.720	0	04/28/2025
3130ALNY6	1025	Fed Home Loan Bank (Callable 9/30/2023)		03/30/2021	8,000,000.00	7,593,520.00	8,000,000.00	0.550	0.550	29	09/30/2024
3130ALTJ3	1029	Fed Home Loan Bank (Callable 10/08/2023)		04/22/2021	9,435,000.00	9,147,515.55	9,435,000.00	0.375	0.375	37	04/08/2024
3130ALVR2	1031	Fed Home Loan Bank (Callable 10/23/2023)		04/23/2021	11,015,000.00	10,423,824.95	11,015,000.00	0.520	0.520	52	10/23/2024
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2023)		04/29/2021	12,000,000.00	10,840,800.00	12,000,000.00	1.000	1.000	58	04/29/2026
3130AM6H0	1035	Fed Home Loan Bank (Callable 11/11/2023)		05/11/2021	12,000,000.00	11,375,280.00	12,000,000.00	0.550	0.550	71	10/11/2024
<b>Subtotal and Average</b>			<b>81,451,180.57</b>		<b>81,450,000.00</b>	<b>77,267,810.50</b>	<b>81,451,153.14</b>		<b>0.560</b>	<b>34</b>	
<b>Federal Agency Disc. -Amortizing</b>											
313384MW6	1080	Fed Home Loan Bank		04/20/2023	14,000,000.00	13,918,240.00	13,922,669.45	4.850	5.106	41	10/12/2023
313384XV6	1095	Fed Home Loan Bank		07/20/2023	14,000,000.00	13,469,960.00	13,443,033.34	5.115	5.447	280	06/07/2024
<b>Subtotal and Average</b>			<b>27,307,573.62</b>		<b>28,000,000.00</b>	<b>27,388,200.00</b>	<b>27,365,702.79</b>		<b>5.274</b>	<b>158</b>	
<b>Treasury Discounts -Amortizing</b>											
912796CQ0	1079	US Treasury Bill		04/20/2023	14,000,000.00	13,973,540.00	13,975,935.55	4.760	4.990	13	09/14/2023
912797FC6	1081	US Treasury Bill		05/18/2023	17,000,000.00	16,862,470.00	16,870,138.89	5.000	5.257	55	10/26/2023
912797FJ1	1083	US Treasury Bill		06/21/2023	14,000,000.00	13,858,180.00	13,863,418.36	5.090	5.339	69	11/09/2023
912797GC5	1096	US Treasury Bill		08/03/2023	9,000,000.00	8,825,490.00	8,828,069.98	5.210	5.483	132	01/11/2024
<b>Subtotal and Average</b>			<b>74,631,182.94</b>		<b>54,000,000.00</b>	<b>53,519,680.00</b>	<b>53,537,562.78</b>		<b>5.246</b>	<b>60</b>	
<b>Local Agency Investment Funds</b>											
SYS336	336	Local Agency Invstmt Fund			25,753,000.49	25,362,288.82	25,753,000.49	3.434	3.434	1	
<b>Subtotal and Average</b>			<b>27,527,194.04</b>		<b>25,753,000.49</b>	<b>25,362,288.82</b>	<b>25,753,000.49</b>		<b>3.434</b>	<b>1</b>	



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**August 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2023	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2023	0.00	0.00	0.00		0.000	1
SYS5	5	US Bancorp		07/01/2023	850,518.58	850,518.58	850,518.58		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>226,468,439.79</b>		<b>217,961,644.76</b>	<b>212,296,623.68</b>	<b>216,866,963.46</b>		<b>3.244</b>	<b>48</b>

**Orange County Fire Authority**  
**In Service of Others!**



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of September 1, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
<b>Aging Interval:</b>	<b>0 days</b>	<b>( 09/01/2023 - 09/01/2023 )</b>	<b>7 Maturities</b>	<b>0 Payments</b>	<b>54,511,544.75</b>	<b>25.49%</b>	<b>54,511,544.75</b>	<b>54,120,833.08</b>
<b>Aging Interval:</b>	<b>1 - 30 days</b>	<b>( 09/02/2023 - 10/01/2023 )</b>	<b>2 Maturities</b>	<b>0 Payments</b>	<b>28,000,000.00</b>	<b>13.16%</b>	<b>27,975,935.55</b>	<b>27,929,160.00</b>
<b>Aging Interval:</b>	<b>31 - 60 days</b>	<b>( 10/02/2023 - 10/31/2023 )</b>	<b>2 Maturities</b>	<b>0 Payments</b>	<b>31,000,000.00</b>	<b>14.50%</b>	<b>30,792,808.34</b>	<b>30,780,710.00</b>
<b>Aging Interval:</b>	<b>61 - 90 days</b>	<b>( 11/01/2023 - 11/30/2023 )</b>	<b>1 Maturities</b>	<b>0 Payments</b>	<b>14,000,000.00</b>	<b>6.53%</b>	<b>13,863,418.36</b>	<b>13,858,180.00</b>
<b>Aging Interval:</b>	<b>91 - 120 days</b>	<b>( 12/01/2023 - 12/30/2023 )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
<b>Aging Interval:</b>	<b>121 - 365 days</b>	<b>( 12/31/2023 - 08/31/2024 )</b>	<b>3 Maturities</b>	<b>0 Payments</b>	<b>32,435,000.00</b>	<b>14.81%</b>	<b>31,706,103.32</b>	<b>31,442,965.55</b>
<b>Aging Interval:</b>	<b>366 - 1095 days</b>	<b>( 09/01/2024 - 08/31/2026 )</b>	<b>6 Maturities</b>	<b>0 Payments</b>	<b>58,015,000.00</b>	<b>25.51%</b>	<b>58,016,153.14</b>	<b>54,164,674.95</b>
<b>Aging Interval:</b>	<b>1096 days and after</b>	<b>( 09/01/2026 - )</b>	<b>0 Maturities</b>	<b>0 Payments</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>
			<b>Total for</b>	<b>21 Investments</b>	<b>0 Payments</b>		<b>216,865,963.46</b>	<b>212,296,523.58</b>



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody 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. Fluctuations in the marketplace have little effect on our long-term investment yield because it is our policy to hold investments to maturity. However, adjusting to market values as required by GAAP resulted in a decrease in recorded interest earnings of \$5,512,582.65. The adjustment for June 30, 2023, includes a decrease of \$612,970.63 to the LAIF investment and a decrease of \$4,899,612.02 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.
- Note 5: The July 2023 average monthly effective yield posted by LAIF, was revised from 3.296% to 3.305%.



### ***Local Agency Investment Fund (LAIF)***

As of August 31, 2023, OCFA has \$25,753,000.49 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 June 30, 2023 is .984828499. When applied to OCFA's LAIF investment, the fair value is \$25,362,288.82 or \$390,711.67 below cost. Although the fair value of the LAIF investment is lower 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 August 31, 2023 is included on the following page.



**State of California**  
**Pooled Money Investment Account**  
**Market Valuation**  
**8/31/2023**

Description	Carrying Cost Plus		Fair Value	Accrued Interest	
	Accrued Interest	Purch.			
United States Treasury:					
Bills	\$	22,023,789,518.08	\$	22,394,918,000.00	NA
Notes	\$	78,659,969,162.05	\$	76,762,511,000.00	\$ 352,718,311.00
Federal Agency:					
SBA	\$	294,597,465.19	\$	293,910,724.75	\$ 1,303,888.28
MBS-REMICs	\$	2,496,528.70	\$	2,437,489.70	\$ 11,034.70
Debentures	\$	8,171,256,546.87	\$	8,011,534,400.00	\$ 53,443,992.40
Debentures FR	\$	-	\$	-	\$ -
Debentures CL	\$	1,350,000,000.00	\$	1,311,878,000.00	\$ 12,502,464.50
Discount Notes	\$	27,765,399,791.62	\$	28,146,053,000.00	NA
Supranational Debentures	\$	3,270,170,437.63	\$	3,203,417,800.00	\$ 22,878,064.10
Supranational Debentures FR	\$	-	\$	-	\$ -
CDs and YCDs FR	\$	-	\$	-	\$ -
Bank Notes	\$	100,000,000.00	\$	99,951,176.99	\$ 3,004,166.67
CDs and YCDs	\$	12,650,000,000.00	\$	12,644,810,352.00	\$ 238,227,250.00
Commercial Paper	\$	7,748,831,013.87	\$	7,834,453,944.44	NA
Corporate:					
Bonds FR	\$	-	\$	-	\$ -
Bonds	\$	438,848,712.92	\$	415,141,150.00	\$ 2,753,541.98
Repurchase Agreements	\$	-	\$	-	\$ -
Reverse Repurchase	\$	-	\$	-	\$ -
Time Deposits	\$	5,203,000,000.00	\$	5,203,000,000.00	NA
PMIA & GF Loans	\$	380,513,000.00	\$	380,513,000.00	NA
<b>TOTAL</b>	<b>\$</b>	<b>168,058,872,176.93</b>	<b>\$</b>	<b>166,704,530,037.88</b>	<b>\$ 686,842,713.63</b>

Fair Value Including Accrued Interest \$ 167,391,372,751.51

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



***Orange County Fire Authority***

***Preliminary Investment Report***

***September 22, 2023***



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**September 22, 2023**

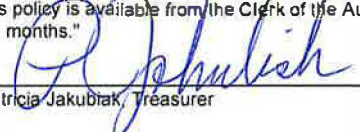
Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

Page 14

Investments	Par Value	See Note 1 on page 19	See Note 2 on page 19	% of Portfolio	Term	Days to Mat./Call	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
		Market Value	Book Value					
Money Mkt Mutual Funds/Cash	22,828,599.37	22,828,599.37	22,828,599.37	11.53	1	1	5.084	5.154
Federal Agency Coupon Securities	67,450,000.00	63,313,870.65	67,451,110.15	34.06	1,384	26	0.628	0.636
Federal Agency Disc. -Amortizing	28,000,000.00	27,473,320.00	27,450,958.89	13.86	248	136	5.201	5.274
Treasury Discounts -Amortizing	50,000,000.00	49,539,180.00	49,535,566.15	25.02	146	65	5.293	5.366
Local Agency Investment Funds	30,753,000.49	30,286,431.31	30,753,000.49	15.53	1	1	3.387	3.434
	<b>199,031,599.86</b>	<b>193,441,401.33</b>	<b>198,019,235.05</b>	<b>100.00%</b>	<b>542</b>	<b>44</b>	<b>3.371</b>	<b>3.418</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	136,876.71	136,876.71	136,876.71		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>199,168,476.57</b>	<b>193,578,278.04</b>	<b>198,156,111.76</b>		<b>542</b>	<b>44</b>	<b>3.371</b>	<b>3.418</b>

Total Earnings	September 22 Month Ending	Fiscal Year To Date
Current Year	376,619.81	1,674,405.45
<b>Average Daily Balance</b>	<b>203,465,472.25</b>	<b>229,318,998.15</b>
<b>Effective Rate of Return</b>	<b>3.07%</b>	<b>3.17%</b>

"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, 2023. 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 Jakubiak, Treasurer 9/29/23

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

Book Value of Cash & Investments before GASB 31 (Above)	\$ 198,156,111.76
GASB 31 Adjustment to Books (See Note 3 on page 19)	\$ (5,512,582.65)
<b>Total</b>	<b>\$ 192,643,529.11</b>



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**September 22, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	See Note 1 on page 19		See Note 2 on page 19		Stated Rate	YTM/Call 365	Days to Mat./Call	Maturity Date
					Par Value	Market Value	Book Value					
<b>Money Mkt Mutual Funds/Cash</b>												
SYS1042	1042	US Bank - Treasury Obligations			17,290,437.09	17,290,437.09	17,290,437.09	5.223	5.223	1		
SYS528	528	MUFG Treasury Obligations		07/01/2023	0.00	0.00	0.00	4.620	4.620	1		
SYS530	530	US Bancorp Sweep Account			5,538,162.28	5,538,162.28	5,538,162.28	4.940	4.940	1		
<b>Subtotal and Average</b>			<b>17,113,130.31</b>		<b>22,828,599.37</b>	<b>22,828,599.37</b>	<b>22,828,599.37</b>		<b>5.154</b>	<b>1</b>		
<b>Federal Agency Coupon Securities</b>												
3133EMWH1	1030	Federal Farm Credit Bank (Callable 10/21/2023)		04/22/2021	3,000,000.00	2,785,980.00	3,001,110.15	0.710	0.672	28	04/21/2025	
3133EMXS6	1032	Federal Farm Credit Bank (Continuous Call)		04/28/2021	12,000,000.00	11,136,480.00	12,000,000.00	0.720	0.720	8	04/28/2025	
3130ALNY6	1025	Fed Home Loan Bank (Callable 9/30/2023)		03/30/2021	8,000,000.00	7,602,400.00	8,000,000.00	0.550	0.550	7	09/30/2024	
3130ALTJ3	1029	Fed Home Loan Bank (Callable 10/08/2023)		04/22/2021	9,435,000.00	9,171,952.20	9,435,000.00	0.375	0.375	15	04/08/2024	
3130ALVR2	1031	Fed Home Loan Bank (Callable 10/23/2023)		04/23/2021	11,015,000.00	10,433,738.45	11,015,000.00	0.520	0.520	30	10/23/2024	
3130AM6P2	1034	Fed Home Loan Bank (Callable 10/29/2023)		04/29/2021	12,000,000.00	10,796,280.00	12,000,000.00	1.000	1.000	36	04/29/2026	
3130AM6H0	1035	Fed Home Loan Bank (Callable 11/11/2023)		05/11/2021	12,000,000.00	11,387,040.00	12,000,000.00	0.550	0.550	49	10/11/2024	
<b>Subtotal and Average</b>			<b>80,814,767.03</b>		<b>67,450,000.00</b>	<b>63,313,870.65</b>	<b>67,451,110.15</b>		<b>0.636</b>	<b>26</b>		
<b>Federal Agency Disc. -Amortizing</b>												
313384MW6	1080	Fed Home Loan Bank		04/20/2023	14,000,000.00	13,966,120.00	13,964,163.89	4.850	5.106	19	10/12/2023	
313384XV6	1095	Fed Home Loan Bank		07/20/2023	14,000,000.00	13,507,200.00	13,486,795.00	5.115	5.447	258	06/07/2024	
<b>Subtotal and Average</b>			<b>27,410,268.48</b>		<b>28,000,000.00</b>	<b>27,473,320.00</b>	<b>27,450,958.89</b>		<b>5.274</b>	<b>136</b>		
<b>Treasury Discounts -Amortizing</b>												
912797FC6	1081	US Treasury Bill		05/18/2023	17,000,000.00	16,922,820.00	16,922,083.33	5.000	5.257	33	10/26/2023	
912797FJ1	1083	US Treasury Bill		06/21/2023	14,000,000.00	13,907,600.00	13,906,966.13	5.090	5.339	47	11/09/2023	
912797GC5	1096	US Treasury Bill		08/03/2023	9,000,000.00	8,857,260.00	8,856,724.99	5.210	5.483	110	01/11/2024	
912797FW2	1097	US Treasury Bill		09/14/2023	10,000,000.00	9,851,500.00	9,849,791.70	5.250	5.486	103	01/04/2024	
<b>Subtotal and Average</b>			<b>51,919,760.48</b>		<b>50,000,000.00</b>	<b>49,539,180.00</b>	<b>49,535,566.15</b>		<b>5.366</b>	<b>65</b>		
<b>Local Agency Investment Funds</b>												
SYS336	336	Local Agency Invstmt Fund			30,753,000.49	30,286,431.31	30,753,000.49	3.434	3.434	1		
<b>Subtotal and Average</b>			<b>26,207,545.94</b>		<b>30,753,000.49</b>	<b>30,286,431.31</b>	<b>30,753,000.49</b>		<b>3.434</b>	<b>1</b>		

**ORANGE COUNTY FIRE AUTHORITY  
Portfolio Management  
Portfolio Details - Cash  
September 22, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Mat./Call
<b>Money Mkt Mutual Funds/Cash</b>										
SYS10033	10033	Revolving Fund		07/01/2023	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2023	0.00	0.00	0.00		0.000	1
SYS5	5	US Bancorp		07/01/2023	116,876.71	116,876.71	116,876.71		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>203,465,472.26</b>		<b>199,168,476.57</b>	<b>193,578,278.04</b>	<b>198,156,111.76</b>		<b>3.418</b>	<b>44</b>

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**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of September 23, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-8301

				Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value	
Aging Interval:	0 days	( 09/23/2023 - 09/23/2023 )	7 Maturities	0 Payments	63,718,476.67	27.61%	63,718,476.67	63,261,907.39
Aging Interval:	1 - 30 days	( 09/24/2023 - 10/23/2023 )	1 Maturities	0 Payments	14,000,000.00	7.21%	13,964,163.89	13,966,120.00
Aging Interval:	31 - 60 days	( 10/24/2023 - 11/22/2023 )	2 Maturities	0 Payments	31,000,000.00	16.93%	30,829,049.46	30,830,420.00
Aging Interval:	61 - 90 days	( 11/23/2023 - 12/22/2023 )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	91 - 120 days	( 12/23/2023 - 01/21/2024 )	2 Maturities	0 Payments	19,000,000.00	9.66%	18,706,616.69	18,708,760.00
Aging Interval:	121 - 365 days	( 01/22/2024 - 09/22/2024 )	2 Maturities	0 Payments	23,436,000.00	11.72%	22,921,796.00	22,679,162.20
Aging Interval:	366 - 1095 days	( 09/23/2024 - 09/22/2026 )	6 Maturities	0 Payments	68,016,000.00	27.97%	68,016,110.16	64,141,918.46
Aging Interval:	1096 days and after	( 09/23/2026 - )	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
<b>Total for</b>			<b>20 Investments</b>	<b>0 Payments</b>		<b>100.00</b>	<b>198,166,111.76</b>	<b>193,678,278.04</b>



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody 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, 2023 includes a decrease of \$612,970.63 to the LAIF investment and a decrease of \$4,899,612.02 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 institutions 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 \$75 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 to 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 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 markets 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.





Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
October 26, 2023

Agenda Item No. 2C  
Consent Calendar

**Blanket Order Contract Renewal for  
Fire Station Alerting System Maintenance**

**Contact(s) for Further Information**

Jim Ruane, Assistant Chief  
Logistics Department

[jimruane@ocfa.org](mailto:jimruane@ocfa.org)

714.573.6801

Joel Brodowski,  
IT Division Manager

[joelbrodowski@ocfa.org](mailto:joelbrodowski@ocfa.org)

714.573.6421

**Summary**

This agenda item is submitted for approval to renew and increase the current contract with Westnet, LLC. for Fire Station Alerting System support and maintenance.

**Prior Board/Committee Action**

At its August 22, 2013, meeting, the Executive Committee awarded a contract to Westnet, Inc. to upgrade all OCFA Fire Station alerting systems with digital electronic fire station alerting technology after a competitive Request for Proposal (RFP) process. This established the alerting system technology standard for OCFA's stations.

At its August 20, 2015, meeting, the Executive Committee approved a new five-year contract (through August 27, 2019) for Westnet station alerting systems support and maintenance.

At its March 22, 2018, meeting, the Executive Committee approved an additional five-year contract (through August 27, 2023) with Westnet for station alerting systems support and maintenance, with the ability to increase the annual amount as needed to equip and support additional stations with upgraded station alerting.

**RECOMMENDED ACTION(s)**

Approve and authorize the Purchasing Manager to extend and increase the annual maintenance contract with Westnet for up to five years based on the proposed pricing schedule with the ability to increase the annual amount as additional equipment is added up to an amount not to exceed an average of \$300,000 annually (\$1,500,000 total five-year term).

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Funding for station alerting systems upgrades, maintenance, and support has been approved in the Adopted FY 2023/24 Budget. Future budget proposals will include funding for the contract years two through five.

Increased Cost Funded by Structural Fire Fund: \$0  
Increased Cost Funded by Cash Contract Cities: \$0

## Background

### *Westnet Station Alerting System*

As a result of a competitive solicitation, Westnet, Inc. was awarded the contract in 2013 to integrate and install master control units (MCU) in all existing OCFA fire station alerting systems and also install the core station alerting system in the OCFA's Data Center and ECC. These systems were integrated with the TriTech/Inform CAD system, now CentralSquare/Enterprise CAD system. Westnet, Inc. is a local firm based in Huntington Beach, and is the original equipment manufacturer, distributor, and service provider for the Westnet, Inc. digital fire station alerting technology, also called the Smart Station.

In order to modernize and standardize OCFA fire station alerting systems to the Smart Station technology, all station upgrades and new station installations require the proprietary Westnet, Inc. equipment.

The Smart Station installation is complex, requiring four to six weeks from planning to final sign-off. This includes coordination with the fire station crews, developing construction plans, upgrading electrical circuits, removal of legacy alerting equipment, and installation/testing of the Smart Station equipment. The Smart Station equipment includes: individual dorm alerting light/sound systems, ceiling mounted satellite controllers, loudspeakers, alerting lights, emergency call buttons, and company indicators through the fire station, as well as integration with the county-wide 800MHz radio system and the OCFA's data network. The upgrade costs have ranged between \$60,000 - \$195,000 per station depending on the fire station crew complement (number of dorms, deployed apparatus, etc.).

Each Smart Station installation has a one-year warranty, after which the support and maintenance costs are added to the overall Westnet annual support and maintenance agreement. Annual costs per station average approximately \$4,000 and reaches approximately \$9,900 per year for the largest and most complex fire stations. Staff estimates that the remaining OCFA Smart Station upgrades, each of which are to be performed under separately issued installation contracts, will be completed and added to the annual support and maintenance agreement by Fall 2026.

### *Recommendation*

Approve and authorize the Purchasing Manager to extend and increase the annual maintenance contract with Westnet for up to five years based on the proposed pricing schedule with the ability to increase the annual amount as additional equipment is added up to an amount not to exceed an approximate average of \$300,000 annually (\$1,500,000 total five-year term).

Westnet, Inc. Fire Station Alerting Systems Annual Support and Maintenance					
Year	Term Date	Amount	Increase for Smart Stations	New Total	Core System and Smart Stations
Yr. 1	08-28-2023 - 08-27-2024	\$188,875.53		\$188,875.53	53 Smart Stations
Yr. 2	08-28-2024 - 08-27-2025	\$194,541.80	\$48,000.00	\$242,541.80	Estimate to add 12 stations
Yr. 3	08-28-2025 - 08-27-2026	\$249,818.05	\$48,000.00	\$297,818.05	Estimate to add 12 stations
Yr. 4	08-28-2026 - 08-27-2027	\$306,752.59		\$306,752.59	No new Smart Stations (77 total)
Yr. 5	08-28-2027 - 08-27-2028	\$315,955.17		\$315,955.17	No new Smart Stations (77 total)
<i>Additional/As-Needed Equipment and Services</i>				\$148,056.86	
<b>Total 5-year not-to-exceed amount</b>				<b>\$1,500,000.00</b>	

### Attachment(s)

2023-24 Annual Maintenance Quote



**WESTNET**

15542 Chemical Lane  
 Huntington Beach, CA 92649  
 Phone: 714-548-3500 Fax: 714-901-5610  
 \*\*\*.FirstInAlerting.com



## Quote: Orange County Fire Authority First-In Alerting Annual Maintenance 2023 - 2024 Revised

**To: Orange County Fire Authority**

**From: Zulema Perez**

Orange County Fire Authority

1 Fire Authority Road

Irvine, CA 92602

Contact:

### Summary

Total Amount: **\$188,875.53** Quote ID: Q-09129-K8X7 Revision: 1  
 Shipping Method: Ground Date: 10/12/2023  
 Payment Terms: Net 30 Effective To: 1/12/2024

Description: This is a quote for Orange County Fire Authority for the First-In Alerting annual maintenance including on-site maintenance or repair and 24/7 toll-free technical support for (79) Fire Stations and (1) Dispatch Center from 8/28/2023 - 8/27/2024. Quote also includes 7 Garden Grove Stations #80 - #86. Pricing includes separate on-site maintenance for full Smart Stations.

Clarifying Comments: Quote includes "hot spare" equipment and exchange service, remote system maintenance, station diagnostic testing, and monitoring of reported trouble with integrated system operations. Westnet will provide all parts and labor necessary to restore the equipment to working order in accordance with factory specifications in effect at the time the Equipment was purchased.

Customer to provide VPN access to Westnet for remote adjustments and support. Maintenance and support services exclude the GenWatch System per the PSA Statement of Work (p. 4).

Quote includes prevailing wages rates. Payment terms are net 30 with payment milestones.

Quote was revised 10/12/2023 to include the Sourcwell discount pricing under contract #042021-WNT. Stations 17, 43, 53 and 66 were added to the quote.

### Shipping Information

**Ship To:**

**Bill To:**

### Details

Product ID	Product	QTY	Price	Sub Total
	On-Site Maintenance (Fire Station #72) - Full Smart Station	1.00	\$2,742.36	\$2,742.36
	On-Site Maintenance (Fire Station #61) - Full Smart Station	1.00	\$9,866.63	\$9,866.63
	On-Site Maintenance (Fire Station #65) - Full Smart Station	1.00	\$3,129.48	\$3,129.48
	On-Site Maintenance (Fire Station #73) - Full Smart Station	1.00	\$2,826.16	\$2,826.16
	On-Site Maintenance (Fire Station #83) - Full Smart Station	1.00	\$2,769.54	\$2,769.54
	On-Site Maintenance (Fire Station #63) - Full Smart Station	1.00	\$2,871.75	\$2,871.75
	On-Site Maintenance (Fire Station #84) - Full Smart Station	1.00	\$2,825.16	\$2,825.16
	On-Site Maintenance (Fire Station #23) - Full Smart Station	1.00	\$2,342.41	\$2,342.41
	On-Site Maintenance (Fire Station #21) - Full Smart Station	1.00	\$4,055.27	\$4,055.27
	On-Site Maintenance (Fire Station #71) - Full Smart Station	1.00	\$6,278.98	\$6,278.98
	On-Site Maintenance (Fire Station #4) - Full Smart Station	1.00	\$4,460.37	\$4,460.37

Product ID	Product	QTY	Price	Sub Total
	On-Site Maintenance (Dispatch Center)	1.00	\$13,686.03	\$13,686.03
	On-Site Maintenance (Fire Station #85) - Full Smart Station	1.00	\$2,711.28	\$2,711.28
	On-Site Maintenance (Fire Station #25) - Full Smart Station	1.00	\$2,149.61	\$2,149.61
	On-Site Maintenance (Fire Station #22) - Full Smart Station	1.00	\$6,680.28	\$6,680.28
	On-Site Maintenance (Fire Station #81) - Full Smart Station	1.00	\$4,128.21	\$4,128.21
	On-Site Maintenance (Fire Station #86) - Full Smart Station (prorated 11 months)	1.00	\$2,210.30	\$2,210.30
	On-Site Maintenance (Fire Station #27) - Full Smart Station (prorated 10 months)	1.00	\$3,726.51	\$3,726.51
	On-Site Maintenance (Fire Station #14) - Full Smart Station (prorated 9 months)	1.00	\$1,496.57	\$1,496.57
	On-Site Maintenance (Fire Station #2) - Full Smart Station (prorated 1 month)	1.00	\$263.82	\$263.82
	On-Site Maintenance (Fire Station #5) - Full Smart Station (prorated 3 months)	1.00	\$1,025.00	\$1,025.00
	On-Site Maintenance (Fire Station #7) - Full Smart Station (prorated 2 months)	1.00	\$554.39	\$554.39
	On-Site Maintenance (Fire Station #15) - Full Smart Station (prorated 10 months)	1.00	\$2,233.10	\$2,233.10
	On-Site Maintenance (Fire Station #16) - Full Smart Station (prorated 9 months)	1.00	\$1,553.29	\$1,553.29
	On-Site Maintenance (Fire Station #19) - Full Smart Station (prorated 1 month)	1.00	\$400.63	\$400.63
	On-Site Maintenance (Fire Station #30) - Full Smart Station (prorated 4 months)	1.00	\$1,138.06	\$1,138.06
	On-Site Maintenance (Fire Station #39) - Full Smart Station (prorated 4 months)	1.00	\$1,389.97	\$1,389.97
	On-Site Maintenance (Fire Station #45) - Full Smart Station (prorated 11 months)	1.00	\$4,089.90	\$4,089.90
	On-Site Maintenance (Fire Station #48) - Full Smart Station (prorated 2 months)	1.00	\$959.31	\$959.31
	On-Site Maintenance (Fire Station #49) - Full Smart Station (prorated 4 months)	1.00	\$1,479.62	\$1,479.62
	On-Site Maintenance (Fire Station #51) - Full Smart Station (prorated 1 months)	1.00	\$448.96	\$448.96
	On-Site Maintenance (Fire Station #67) - Full Smart Station (prorated 8 months)	1.00	\$3,030.67	\$3,030.67
	On-Site Maintenance (Fire Station #62) - Full Smart Station (prorated 3 months)	1.00	\$749.11	\$749.11
	On-Site Maintenance (Fire Station #50) - Full Smart Station	1.00	\$3,689.08	\$3,689.08
	On-Site Maintenance (Fire Station #54) - Full Smart Station	1.00	\$4,476.22	\$4,476.22
	On-Site Maintenance (Fire Station #76) - Full Smart Station	1.00	\$2,823.66	\$2,823.66
	On-Site Maintenance (Fire Station #46) - Full Smart Station	1.00	\$4,425.72	\$4,425.72
	On-Site Maintenance (Fire Station #32 Trailer) - Full Smart Station	1.00	\$2,317.50	\$2,317.50
	On-Site Maintenance (Fire Station #74) - Full Smart Station	1.00	\$3,636.85	\$3,636.85
	On-Site Maintenance (Fire Station #79) - Full Smart Station	1.00	\$4,771.92	\$4,771.92
	On-Site Maintenance (Fire Station #80) - Full Smart Station	1.00	\$2,196.61	\$2,196.61
	On-Site Maintenance (Fire Station #56) - Full Smart Station	1.00	\$2,925.19	\$2,925.19
	On-Site Maintenance (Fire Station #75) - Full Smart Station	1.00	\$6,209.04	\$6,209.04
	On-Site Maintenance (Fire Station #8) - Full Smart Station	1.00	\$2,383.35	\$2,383.35
	On-Site Maintenance (Fire Station #31) - Full Smart Station	1.00	\$2,447.87	\$2,447.87
	On-Site Maintenance (Fire Station #78) - Full Smart Station	1.00	\$2,860.84	\$2,860.84
	On-Site Maintenance (Fire Station #6) - Full Smart Station	1.00	\$4,440.79	\$4,440.79
	On-Site Maintenance (Fire Station #20) - Full Smart Station	1.00	\$7,317.60	\$7,317.60
	On-Site Maintenance (Fire Station #57) - Full Smart Station	1.00	\$2,363.52	\$2,363.52
	On-Site Maintenance (Fire Station #32) - Full Smart Station	1.00	\$2,502.99	\$2,502.99
	On-Site Maintenance (Fire Station #82) - Full Smart Station	1.00	\$2,028.12	\$2,028.12
	On-Site Maintenance (Fire Station #77) - Full Smart Station	1.00	\$3,291.48	\$3,291.48
	On-Site Maintenance (Fire Station #64) - Full Smart Station	1.00	\$5,564.28	\$5,564.28
	On-Site Maintenance (Fire Station #70) - Full Smart Station	1.00	\$2,671.11	\$2,671.11
	On-Site Maintenance (Fire Station #66) - Full Smart Station	1.00	\$2,635.25	\$2,635.25
	On-Site Maintenance (Fire Station #53) - Full Smart Station	1.00	\$2,770.53	\$2,770.53
	On-Site Maintenance (Fire Station #43) - Full Smart Station	1.00	\$3,618.42	\$3,618.42
	On-Site Maintenance (Fire Station #17) - Full Smart Station	1.00	\$4,234.86	\$4,234.86

**NOTES:**

1. In the event that taxes, other than sales tax apply to the purchase of this equipment, said taxes will be paid by the customer.
2. Quote is based on a properly working and installed CAD, radio system(s), station radio(s) and does not include costs for repair or modifications of the CAD, radio system(s), or station radio(s).
3. Any equipment drawings included with this quote are for quoting purposes only and are not to be used as working drawings unless such drawings are labeled "Installation Drawings". See attached Limited Warranty.

Equipment Total	\$188,875.53
Install Supplies	\$0.00
Total Tax ( %)	\$0.00
FiAP Install, Commissioning, and Testing	\$0.00
FiAP Training	\$0.00
One Year Toll Free Technical Support	\$0.00
<b>Total Amount</b>	<b>\$188,875.53</b>

Manufacturer's warranties apply on all parts. First-In warranty is provided by Westnet and consists of one-year parts and labor. Warranty does not apply to damage resulting from outside agencies or extraneous circumstances. Installation labor for any other items is ninety days. This quote is based on the reasonable assumption that the fire station is prepared to accept the above listed parts and that any existing equipment involved with the fire station alarm be in good working order or that it will be prior to commencement of the First-In installation. Westnet has made reasonable attempts to verify that conditions are satisfactory such that installation may occur. However, should an occurrence arise where further parts, labor and/or engineering are required, the customer may be billed at the Purchase Order rate. Any additional parts, labor and/or engineering exceeding \$250 will have prior approval, unless otherwise specified by the customer prior to commencement.

***If payment is not received by 30 (thirty) days from the date of invoice, a late charge of 1.5% per month of the unpaid balance will be charged to that particular invoice.***



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
October 26, 2023

Agenda Item No. 2D  
Consent Calendar

**Cooperative Contract – Blanket Order for  
Wireless Service and Hardware**

**Contact(s) for Further Information**

Jim Ruane, Assistant Chief  
Logistics Department

[jimruane@ocfa.org](mailto:jimruane@ocfa.org)

714.573.6801

Joel Brodowski  
IT Division Manager

[joelbrodowski@ocfa.org](mailto:joelbrodowski@ocfa.org)

714.573.6421

**Summary**

This item is submitted for the approval to increase the blanket order contract for wireless service and the purchase of mobile device equipment to ATT/Firstnet Wireless utilizing the NASPO Valuepoint cooperative contract #MA 149.

**Prior Board/Committee Action**

None

**RECOMMENDED ACTION(S)**

1. Approve and authorize the Purchasing Manager to increase Blanket Order contract B02291 with ATT/Firstnet Wireless from \$30,000 to a new amount not to exceed \$236,697 annually, utilizing the NASPO Valuepoint cooperative contract #MA 149 and a term ending May 22, 2025, with one (1) two-year option to extend at the State's sole discretion.
2. Approve and authorize the Purchasing Manager to increase the above-described contract with ATT/Firstnet Wireless for services as needed not-to-exceed 3% per year, provided that the cooperative agreement is in effect and funding is available.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Additional funding will be requested during the mid-year budget request process for the increased wireless service.

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

**Background**

The OCFA currently uses multiple land line and wireless telecom services including ATT and Verizon. ATT is the service provider for the OCFA's business and 9-1-1 telephone land lines, and fiber optic data circuits connecting the RFOTC with the OCFA's fire stations throughout the county. ATT is also the primary hardware support vendor for the OCFA's PBX administrative phone system and 9-1-1 vesta phone system.

The OCFA uses Verizon to provide wireless service for over 1,600 devices deployed throughout the agency including smart phones, iPads, cardiac monitors/defibrillators, and Automatic Vehicle Location (AVL) modems installed in OCFA vehicles. This equipment is used by OCFA staff for emergency response command, management, and special assignment purposes.

The OCFA is replacing legacy pagers and mobile data computers (MDC) used by OCFA operations personnel with Apple iPhones and iPads using modern personnel alerting and mobile CAD applications. These new iPhones and iPads will use ATT/Firstnet wireless service.

To leverage the significant discounts available, and in accordance with OCFA Procurement Ordinance 009, Article X, Section 1-118 Cooperative Purchasing Authorized, OCFA intends to utilize the State of California ATT/Firstnet Wireless cooperative contract available through NASPO/ValuePoint, which is party of the State of Utah Cooperative Contract #MA 149. The current cooperative contract is valid through May 22, 2025. This cooperative contract resulted from a competitive solicitation issued by the State of Utah, RFP CJ 18012, and the State of California Participating Addendum PA-2022-WDV-AT&T. Use of this contract entitles OCFA to the same bulk-discounted rates for wireless service that the State of California receives.

Wireless service had previously been handled in the same manner as other utilities, while purchases of equipment are executed separately following the guidelines established for commodities. An increase in operational efficiency by establishing one annual Blanket Order contract for both wireless service and equipment, is achieved.

Staff recommends approval and authorization for the Purchasing Manager to increase the current \$30,000 Blanket Order contract B02291 for ATT/Firstnet Wireless to the new not to exceed amount \$236,697. This amount includes contract authority sufficient to purchase new iPhones given the steep discount (see Attachment 2) and staff will procure iPads utilizing a competitive bid process.

<b>Item</b>	<b>Annual Amount</b>
Current Blanket Order for existing FirstNet Wireless Devices	\$30,000.00
Legacy Pager Replacement: Wireless Service <i>(\$34.12/month for 300 new lines)</i>	\$122,832.00
Legacy Pager Replacement: Hardware (iPhone 13) <i>(300 iPhone 13 @ \$65.95 each, incl. tax)</i>	\$19,785.00
Legacy MDC Computer Replacement Annual Service <i>(\$35.60/month for 150 new lines)</i>	\$64,080.00
<b>New Total Not to Exceed:</b>	<b>\$236,697.00</b>

**Attachment(s)**

1. State of California Participating Addendum # PA-2022-WDV-AT&T Under the State of Utah Cooperative Contract #MA149
2. Firstnet iPhone hardware and data service price proposal
3. Firstnet iPad data service price proposal

**PARTICIPATING ADDENDUM # PA-2022-WDV-AT&T  
UNDER THE  
STATE OF UTAH COOPERATIVE CONTRACT #MA149  
(NASPO VALUEPOINT WIRELESS DATA, VOICE, AND ACCESSORIES)**

**PARTICIPATING ENTITY: STATE OF CALIFORNIA**

This Participating Addendum, including the attached Appendix A and Appendix A-1 (the "PA") is made on 10/04/2022 (the "PA Effective Date"), between the State of California, California Department of Technology ("Participating Entity" or "State"), and AT&T ("Contractor") (Participating Entity and Contractor are, at times, referred to individually as a "Party" or together as the "Parties").

**Section 1. Recitals**

**1.1** The Contractor and the State of Utah, acting through its Department of Administration, Purchasing Division, individually and on behalf of the NASPO ValuePoint, a division of the National Association of State Procurement Officials ("NASPO"), are parties to the State of Utah Cooperative Contract #MA149 (NASPO ValuePoint Wireless Data, Voice, and Accessories) dated July 1, 2019, as amended (the "Master Agreement").

**1.2** Participating Entity wants to participate in the Master Agreement pursuant to the terms and conditions of the PA.

**1.3** The term of this PA begins on the PA Effective Date through May 22, 2025 with one (1), two-year option to extend remaining at the State's sole discretion.

**Section 2. Agreement**

In consideration of the recitals set forth in Section 1 above, which are hereby re-stated and agreed to by the Parties, and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, Participating Entity and the Contractor hereby agree to the terms and conditions of the PA. The Master Agreement and the PA, together with all valid Purchase Orders submitted to the Contractor by an Authorized Purchasing Entity, together constitute the "CA Agreement". Unless otherwise defined, capitalized terms in the PA have the meanings ascribed to them in the Master Agreement.

**Section 3. Authorized Purchasing Entities**

The State hereby designates the following as Authorized Purchasing Entities under the CA Agreement: Local government entities defined as any city, county, city and



county, district or other local governmental body empowered to expend public funds for the acquisition of goods. Additional qualifying entities include those that are either (i) entirely 100% tax supported, (ii) a local governmental entity with a Joint Powers Agreement (JPA), or (iii) a Federally recognized Indian Tribe. State agencies or other state entities are not Authorized Purchasing Entities. "Authorized Purchasing Entities" also may be referred to as "Purchasing Entities" for purposes of the CA Agreement.

Each Authorized Purchasing Entity placing an Order under this PA will be treated as if it was an individual customer. Except to the extent modified in this PA, each Authorized Purchasing Entity will be responsible for compliance with the terms and conditions of the Master Agreement. Each Authorized Purchasing Entity will be responsible for its own charges, fees and liabilities. Each Authorized Purchasing Entity will have the same rights to any indemnity or to recover any costs allowed in the Master Agreement for its purchases; and Contractor will apply the charges to each Authorized Purchasing Entity individually. Each Authorized Purchasing Entity agrees to the terms of this PA, including the disclosure of limited account information (including the name, address, email and phone number of each Authorized Purchasing Entity's authorized/designated purchasing agent(s)) as part of the contractual reporting requirements to NASPO ValuePoint and/or the Participating Entity, for purposes of monitoring the contract and calculating the administrative fee.

#### **Section 4. Purchase Orders**

Except as set forth herein, Purchase Orders must reference both Master Agreement #MA149 and the PA number to be valid. Upon acceptance of any such valid Purchase Order, the corresponding Authorized Purchasing Entities will be bound by the terms and conditions of the CA Agreement including, without limitation, the obligation to pay the Contractor for Services and related Products provided. Notwithstanding the foregoing, any Purchase Order submitted that does not properly reference the Master Agreement number and/or the PA may be accepted, at the Contractor's sole discretion, if the Contractor can reasonably ascertain that such Purchase Order was properly authorized and intended for use with the PA. In such instances, the corresponding Purchase Order will be similarly valid and binding. The terms and conditions of the CA Agreement will not be modified or superseded by any terms and conditions in any Authorized Purchasing Entity-generated Purchase Order. Purchase Orders will have no force or effect other than to denote quantity, the products or services purchased, delivery destinations, requested delivery dates and any other information required by the CA Agreement.

**Section 5 Primary Contacts**

	<b>Participating Entity (State): California Department of Technology</b>	<b>Contractor:</b>
<b>Name</b>	Sandra Morales	Bethani Cross
<b>Title</b>	Contract Manager	Program Manager
<b>Address</b>	P.O. BOX 1810, MS 12 Rancho Cordova, CA 95741	311 S Akard St Dallas, TX 75202
<b>Telephone</b>	(916)460-9809	(214)679-9053
<b>Email</b>	<a href="mailto:TechnologyProcurements@state.ca.gov">TechnologyProcurements@state.ca.gov</a> and <a href="mailto:Sandra.Morales@state.ca.gov">Sandra.Morales@state.ca.gov</a>	<a href="mailto:Bethani.cross@att.com">Bethani.cross@att.com</a>

**Section 6. Notice of Administrative Fees**

The following charges are being paid by the Contractor under this PA.

**6.1 California Department of Technology Administrative Fee**

Contract Fees to Participating Entity: The Contractor is being charged an Administrative Fee of 1.00% of all Authorized Purchasing Entities Corporate Responsibility Users (CRU) Total Wireless Spend, pursuant to the schedule of payments set forth in the Master Agreement. "CRU Total Wireless Spend" for the Participating Entity's state will be calculated (with respect to Participating Entity state sales only) in the same manner as set forth in Section 6 of Attachment A (*NASPO ValuePoint Master Agreement Terms and Conditions*) to the Master Agreement.

The Contractor shall submit a check payable to the California Department of Technology, Accounting, P.O. Box 1810, MS Y06, Rancho Cordova, CA 95741 or pay by Electronic Fund Transfer (EFT) for the calculated administrative fee. This fee shall be included as an adjustment to the Contractor's NASPO ValuePoint pricing and not invoiced or charged to the Authorized Purchasing Entities for the use of this PA.

**Section 7. Authority**

By signing below, the corresponding Party's representative represents that he or she is duly authorized by the Contractor or Participating Entity, as applicable, to execute the PA on behalf of the respective Party, and that the Contractor and Participating Entity agree to be bound by the provisions hereof. In addition, Participating Entity

represents that it has received the requisite approvals from the applicable State authority and NASPO to participate in the Master Agreement.

**Section 8. Entire Agreement**

The Master Agreement and this PA set forth the entire agreement between the Parties with respect to its subject matter, and it supersedes all previous communications, representations or agreements, whether oral or written, with respect thereto.

IN WITNESS WHEREOF, the Parties have executed the PA as of the PA Effective Date.

<b>Contractor Name</b>	<b>State of California</b>
Signature: <u>Jack Wildermuth</u> <small>Jack Wildermuth (May 17, 2023 15:25 PDT)</small>	Signature: <i>Samit Wangnoo</i>
Printed Name: Jack Wildermuth	Printed Name: Samit Wangnoo
Title: Senior Contract Manager	Title: Assistant Deputy Director
Date Signed: May 17, 2023	Date Signed: May 17, 2023

## Appendix A

### 1. General Provisions - Wireless Voice And Data Services

This PA shall automatically incorporate by reference the General Provisions - Wireless Voice and Data Services, which can be found attached hereto as Appendix A-1.

### 2. Reporting

The Contractor shall provide the following management reports to the State Contract Administrator as reasonably requested. The reports shall reflect the agency's usage under the contract for the respective month/quarter. Reports shall be submitted in electronic format by email. Upon execution of the Purchase Order, the Authorized Purchasing Entities understand and agree that the Contractor may provide the State Customer Proprietary Network Information (CPNI) as part of Contractor's reporting obligations under the Contract for purposes of administering the Participating Addendum.

Listed below are the management reports that shall be provided:

a) Usage Report (quarterly):

The Contractor shall submit a Usage Report for the Total Wireless spend of all Authorized Purchasing Entities on a quarterly basis by the 45th day following the end of the quarter. This report shall be reviewed by the State Contract Administrator and shall correlate with the Administration Fee. The Usage Report shall contain the same fields as Attachment H (NASPO ValuePoint Cooperative Contract Detailed Sales Report) of the Contractor's Master Agreement.

b) Authorized Purchasing Entities Report (annually):

The Authorized Purchasing Entities Report shall be submitted to the State Contract Administrator annually by the 45th day from beginning of the year. The report shall include the name of the Authorized Purchasing Entity, contact name, phone number and email address of the individual responsible for submitting purchase requests for each Authorized Purchasing Entity, to the best of the Contractor's ability. This information will be used for the State Contract Administrator to communicate with the Authorized Purchasing Entity's regarding Contract expiration and transition options.

c) Custom Reports:

Authorized Purchasing Entities will have access to Contractor's order and support portal, which provides a variety of reporting tools, including account management reports, invoicing reports, order reports, and usage reports.

### **3. CONTRACTOR'S WEBSITE**

The Contractor shall provide a website for Authorized Purchasing Entities to manage accounts, get product information, and to order Products and Services. The Contractor shall maintain, support and keep current a NASPO-specific contract website with current pricing, general contact information, and Contractor point of contact information.

### **4. LOCAL NUMBER PORTABILITY**

Authorized Purchasing Entities may be able to transfer a Master Account User's Number to or from another provider with whom Contractor has a porting relationship in accordance with Contractor internal business policies.

### **5. OUT OF STOCK**

The Contractor shall alert the Authorized Purchasing Entities at time of order, or within three (3) business days after order if a Product is out of stock or subject to backorder date for delivery. The Authorized Purchasing Entity has the option to cancel the Product and/or purchase another Product. Under no circumstances the Contractor will make unauthorized substitutions.

### **6. SHIPPED ORDERS**

All deliveries shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor.

### **7. ORDER ACKNOWLEDGEMENT**

The Contractor shall provide the Authorized Purchasing Entities with an Order receipt acknowledgement within one (1) business day after receipt of Order. The Order receipt acknowledgement shall contain:

- a) Product(s) and/or Service plan(s) purchased
- b) Contractor order number
- c) Customer name, as designated by the Authorized Purchasing Entity
- d) Bill to address
- e) Ship to address

### **8. SHIPMENT CONFIRMATION**

The Contractor shall provide a shipment confirmation to the Authorized Purchasing Entity on the day the Order is shipped. Shipment confirmation shall include, at a minimum:

- a) Phone number for new lines, if applicable
- b) Electronic Serial Number (ESN), International Mobile Equipment Identity (IMEI), or Mobile Equipment Identifier (MEID), if applicable
- c) Date shipped
- d) Tracking number

## **9. DELIVERY SCHEDULES**

Delivery for Orders placed against this CA Agreement shall be in accordance with the following:

- a) Locations

Deliveries are to be made (statewide) to the location specified on the individual Purchase Order, which may include, but not limited to inside buildings, high-rise office buildings, and receiving docks.

- b) Schedule

The Contractor shall make reasonable efforts to deliver in-stock Products within five (5) business days after order receipt acknowledgement.

## **10. PACKING SLIP INFORMATION**

All shipped Orders shall include a packing slip with the following information:

- a) Customer name, as designated by the Authorized Purchasing Entity
- b) Ship-to address
- c) Contractor Order number
- d) Description of items

## **11. INVOICING**

Invoice content will vary depending on the type of Service. Invoices shall include data as defined below for an Authorized Purchasing Entity to validate charges.

The Contractor's Invoice shall include, at a minimum:

- a) Contractor name, address, and telephone number
- b) Authorized Purchasing Entity Name
- c) Invoice number
- d) Invoice date
- e) Account Number

- f) Line item description
- g) Quantity purchased
- h) Unit of measure
- i) Unit Price
- j) Total Non-recurring Charges (NRC)/Total One-Time Charges
- k) Total Recurring Charges (MRC)/Total Monthly Recurring Charges
- l) State sales and/or use tax
- m) Total Adjustments
- n) Total Charges

The Authorized Purchasing Entity's obligation to make payment pursuant to the contract is subject to services completed and signed off by the Authorized Purchasing Entity and the availability of appropriation funds. Receipt of a Purchase Order under this Participating Addendum is proof of funds for that order.

## **12. WARRANTY**

Equipment is covered by the manufacturer's consumer warranty that will be passed through to the Customer. The Contractor shall provide manufacturer's warranty information (terms and conditions, provider, etc.) to the Customer with all Equipment at the time of delivery. The Contractor shall work with the Customer to facilitate Equipment replacement.

## **13. DAMAGED, DEFECTIVE AND ITEMS SHIPPED IN ERROR**

The Contractor shall provide credit and/or replacement for freight-damaged or defective Products within 48 hours after notification by the Authorized Purchasing Entity at no charge. This also includes incorrect Products shipped or an order entry error by the Contractor's customer service representative. The Contractor cannot require the Authorized Purchasing Entity to deal directly with the manufacturer. Additionally, the Contractor shall provide the Authorized Purchasing Entities with a prepaid and self-addressed container suitable for the return of the Products. Authorized Purchasing Entities shall not be assessed restocking fees or any other fees for items trialed and then returned as unacceptable for any reason.

**14. ACTIVATIONS/TERMINATIONS/SUSPENSIONS AND ACCOUNT CHANGES**

- a) Existing Equipment: The Contractor shall activate or suspend Service or make account changes on existing Product(s) and complete requested plan changes within 48 hours of notification by the Authorized Purchasing Entity. The Contractor shall provide the appropriate Authorized Purchasing Entity with an account change or suspension confirmation within 24 hours of a change or suspension request.
- b) New Equipment: The Contractor shall allow for Service activation on new equipment promptly following delivery of equipment, excluding activations involving number portability.
- c) Emergency Service Activation: In the event of an emergency, i.e. State emergency during a disaster, the Contractor shall activate equipment within 24 hours or less after request.
- d) Temporary Suspension and Reactivation: The Contractor shall suspend or reactivate lines within 48 hours of request. During periods of suspension, the line must not incur any charges and the wireless number must not change, provided that the suspension period does not exceed 90 consecutive calendar days or 180 total days in any year.

**15. SERVICE PLAN CHANGES**

There shall be no change fees or service plan term extensions when a subscriber changes service plans, unless expressly provided otherwise within the terms and conditions of the service plan(s).

**16. PRODUCT RECALL**

Authorized Purchasing Entities will be notified if a Master Agreement Product is affected by a product recall. The Contractor will provide notification and instructions on how to return or replace the Product.

**17. ACCEPTANCE TESTING PERIOD**

Inspection and acceptance will be in accordance with Section 15 of Attachment A (NASPO ValuePoint Master Agreement Terms and Conditions) to the Master Agreement.



**APPENDIX A-1**

**GENERAL PROVISIONS – WIRELESS VOICE AND DATA SERVICES  
FOR  
NASPO PARTICIPATING ADDENDUM FOR LOCAL GOVERNMENT**

**Revised** 12/14/2021

Issued By:

**STATE OF CALIFORNIA**

California Department of Technology

Statewide Technology Procurement

P.O. BOX 1910

RANCHO CORDOVA, CA 95741

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## 1. DEFINITIONS

The following terms shall be given the meaning shown below.

**"Application Program"** means a computer program intended to be executed for the purpose of performing useful work for the user of the information being processed. Application programs are developed or otherwise acquired by the user of the Hardware/Software system, but they may be supplied by the Contractor.

**"Authorized Purchasing Entities"** means any Local government entities defined as any city, county, city and county, district or other local governmental body empowered to expend public funds for the acquisition of goods. Additional qualifying entities include those that are either entirely 100% tax supported, a local governmental entity with a Joint Powers Agreement (JPA), or a federally recognized Indian Tribe.

State agencies or other state entities are not Authorized Purchasing Entities.

**"Commercial Software"** means Software developed or regularly used that: (i) has been sold, leased, or licensed to the general public; (ii) has been offered for sale, lease, or license to the general public; (iii) has not been offered, sold, leased, or licensed to the public but will be available for commercial sale, lease, or license in time to satisfy the delivery requirements of this Contract; or (iv) satisfies a criterion expressed in (i), (ii), or (iii) above and would require only minor modifications to meet the requirements of this Contract.

**"CA Agreement" or "Contract"** means the Master Agreement and the PA, together with all valid Purchase Orders submitted to the Contractor by an Authorized Purchasing Entity.

**"Contractor"** means the business entity with whom the State enters into this Contract. Contractor shall be synonymous with "supplier", "vendor" or other similar term.

**"Deliverables"** means Equipment (including Cellular Equipment) Services, Software, Information Technology, Telecommunications, Hardware, Documentation and other items (e.g. reports) to be delivered pursuant to this Contract, including any such items furnished incident to the provision of Services.

**"Documentation"** means manuals and other printed materials necessary or useful to the Authorized Purchasing Entities in its use or maintenance of the Equipment or Software provided hereunder. Manuals and other printed materials customized for the Authorized Purchasing Entities hereunder constitute Work Product if such materials are required by the Purchase Order.

**"Equipment"** is an all-inclusive term which refers either to individual machines or to a complete data processing system including its Hardware and Operating Software (if any), and Cellular Equipment.

**"Equipment Failure"** is a malfunction in the Equipment, excluding all external factors, which prevents the accomplishment of the Equipment's intended function(s). If microcode or Operating Software residing in the Equipment is necessary for the proper operation of the Equipment, a failure of such microcode or Operating Software which prevents the accomplishment of the Equipment's intended functions shall be deemed to be an Equipment Failure.

**"Hardware"** usually refers to computer Equipment and is contrasted with Software. See also equipment.

**"Information Technology"** includes, but is not limited to, all electronic technology systems and Services, automated information handling, System design and analysis, conversion of data, computer programming, information storage and retrieval, Telecommunications which include voice, video, and data communications, requisite System controls, simulation, electronic commerce and all related interactions between people and Machines.

**"Maintenance"** includes: (i) remedial maintenance performed by the Contractor or manufacturer as a result of Services, Equipment or Software failure, and which is performed as required, i.e. on an unscheduled basis; or (ii) maintenance performed on a scheduled basis by the Contractor or manufacturer and is designed to keep the Equipment and/or Software in proper operating condition.

**"Master Agreement"** means the Contractor's State of Utah Cooperative Contract (NASPO ValuePoint Wireless Data, Voice, and Accessories), and any amendments thereto.

**"Operating Software"** means those routines, whether or not identified as Program Products, that reside in the Equipment and are required for the Equipment to perform its intended function(s), and which interface the operator, other Contractor-supplied programs, and user programs to the Equipment.

**"Participating Addendum" or "PA"** means the Participating Addendum under the NASPO ValuePoint Wireless Communication Services and Equipment to which these General Provisions are attached and into which these General Provisions are incorporated.

**"Purchase Order"** has the meaning given to it in the Master Agreement.

**"Services"** means any and all Services, including cellular Services required to be performed by the Contractor pursuant to Contract.

**"Software"** means an all-inclusive term which refers to any computer programs, routines, or subroutines supplied by the Contractor, including operating software, Programming Aids, Application Programs, and Program Products.

**"Software Failure"** means a malfunction in the Contractor-supplied Software, other than Operating Software, which prevents the accomplishment of work, even though the Equipment (including its Operating Software) may still be capable of operating properly. For Operating Software failure, see definition of Equipment Failure.

**"State"** means the government of the State of California, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of California.

**"System"** means the complete collection of Hardware, Software and Services as described in this Contract, integrated and functioning together, and performing in accordance with this Contract.

**"Telecommunications"** means to include all Hardware, Software and Service components involved in the secure, efficient and reliable delivery of analog and digital data streams to and/or from government 'end systems'. Examples of the components that comprise a Telecommunications System are communications links, routers, switches, multiplexers, transmitters, repeaters, and firewalls. The end systems which are interconnected via a telecommunications system include discrete hardware and software elements that accept analog or digital data streams for storage, processing or conversion to an end user. Examples of end systems are servers, telephones, video displays, and handheld computing devices.

**"Telecommunications Service"** means the providing, allowing, facilitating, or generating of any form of Telecommunication through the use of a Telecommunications device over a Telecommunications system.

**"Telecommunications System"** means systems, Services or components that: (i) Do not create data except for use by the Telecommunications system or systems used to monitor or manage the Telecommunications system. (ii) Do not store data except transiently for purposes related to network routing, performance optimization or error recovery. (iii) Do not delete or modify data except for purposes related to the reliability, efficiency and security of the Telecommunications Service.

## **2. PURPOSE**

These General Provisions-Wireless Voice and Data Services are part of the Participating Addendum ("PA") entered into between the State and the Contractor.

## **3. PARTICIPATING ADDENDUM EFFECTIVE DATE**

The PA (including this Appendix A-1) signed by the Contractor shall not become effective until signed by the Department of Technology ("PA Effective Date").

## **4. IRREVOCABLE OFFER**

From the date that the Contractor executes the PA ("Signing Date") until such time as the State executes the PA (but in no event beyond 90 days after the Signing Date), and as such process is further described herein, the PA constitutes the irrevocable, firm offer by the Contractor to provide the Services to the Authorized Purchasing Entities for the charges in accordance with the PA. The PA shall not be binding or of any legal force or effect on the State until the authorized execution of the PA by the California Department of Technology, as provided in Section 3 (Participating Addendum Effective Date).

## **5. COMPLETE INTEGRATION**

The PA, including any documents incorporated herein by express reference (including the Master Agreement referenced in the PA), is intended to be a complete integration and there are no prior, contemporaneous, different, or additional agreements pertaining to the subject matter of the PA.

## **6. SEVERABILITY/SURVIVAL CLAUSE**

If any provision of the PA is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the PA shall remain in full force and effect.

## **7. INDEPENDENT CONTRACTOR**

The Contractor and the agents and employees of the Contractor, in the performance of the PA, shall act in an independent capacity and not as officers or employees or agents of the State or any Authorized Purchasing Entities.

## **8. APPLICABLE LAW**

- a) The PA shall be governed by and interpreted in accordance with the laws of the State of California; venue of any action brought with regard to this PA shall be in Sacramento County, Sacramento, California. Each party irrevocably submits to

the sole and exclusive jurisdiction of the courts in Sacramento County, Sacramento California. To the extent Services in the PA are subject to the jurisdiction of the California Public Utilities Commission (CPUC), the CPUC shall have jurisdiction over the PA, and the PA and related Services may be subject to modification from time to time as the CPUC may so order in the exercise of their lawful jurisdiction. The United Nations Convention on Contracts for the International Sale of Equipment shall not apply to the PA.

- b) The Contractor, in conducting its business as required by the PA, shall comply with the Communications Act of 1934, as amended (including, but not limited to, the Telecommunications Act of 1996 and subsequent Acts), and as interpreted and applied by the applicable regulatory authorities and courts and any applicable rules, regulations and decisions of the Federal Communications Commission (FCC) and the CPUC.

## **9. COMPLIANCE WITH STATUTES AND REGULATIONS**

- a) The State, Authorized Purchasing Entities and the Contractor warrant and certify that in the performance of the PA, they will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California. The Contractor agrees to indemnify the State and Authorized Purchasing Entities against any loss, cost, damage or liability by reason of the Contractor's violation of this provision.
- b) The State and Authorized Purchasing Entities will notify the Contractor of any such claim in writing and tender the defense thereof within a reasonable time; and
- c) The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that: (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State and Authorized Purchasing Entities operations or liability, or when involvement of the State and Authorized Purchasing Entities is otherwise mandated by law, the State and Authorized Purchasing Entities may participate in such action at their own expense with respect to attorneys' fees and costs (but not liability); (ii) where a settlement would impose liability on the State and Authorized Purchasing Entities, affect principles of California government or public law, or impact the authority of the State and Authorized Purchasing Entities, the Department of Technology shall have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State and Authorized



Purchasing Entities will reasonably cooperate in the defense and in any related settlement negotiations.

- d) To the extent that the PA falls within the scope of Government Code section 11135, the Contractor hereby agrees to respond to and resolve any complaint brought against the Contractor pursuant to this section.
- e) In the event that any term or action required in the PA requires a regulatory filing, the Contractor shall make such filing and such action and/or term shall, to the extent applicable, be made effective pursuant to the rules of the FCC and/or the CPUC. To the extent applicable, the Contractor shall make the appropriate FCC filing in a timely manner with the rates being effective consistent with FCC requirements.
- f) In addition to the foregoing, the Contractor shall, after execution of the PA, make all necessary regulatory filings.

#### **10. CONTRACTOR'S POWER AND AUTHORITY**

- a) The Contractor warrants that it has full power and authority to grant the rights herein granted and will hold the State and Authorized Purchasing Entities harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this warranty. Further, the Contractor avers that it will not enter into any arrangement with any third party which might abridge any rights of the State and Authorized Purchasing Entities under the PA.
- b) The State and Authorized Purchasing Entities will notify the Contractor of any such claim in writing and tender the defense thereof within a reasonable time; and
- c) The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State and Authorized Purchasing Entities operations or liability, or when involvement of the State and Authorized Purchasing Entities is otherwise mandated by law, the State and Authorized Purchasing Entities may participate in such action at their own expense with respect to attorneys' fees and costs (but not liability); (ii) where a settlement would impose liability on the State and Authorized Purchasing Entities, affect principles of California government or public law, or impact the authority of the State and Authorized Purchasing Entities, the Department of Technology will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State and Authorized

Purchasing Entities will reasonably cooperate in the defense and in any related settlement negotiations.

## **11. ASSIGNMENT**

The PA shall not be assignable by the Contractor in whole or in part without the written consent of the State. The State's consent shall not be unreasonably withheld or delayed. For the purpose of this paragraph, the State will not unreasonably prohibit the Contractor from freely assigning its right to payment, provided that Contractor remains responsible for its obligations hereunder.

## **12. WAIVER OF RIGHTS**

Any action (other than an express written waiver) or inaction by the State and Authorized Purchasing Entities or the failure of the State and Authorized Purchasing Entities on any occasion, to enforce any right or provision of the PA, shall not be construed to be a waiver by the State of its rights hereunder and shall not prevent the State and Authorized Purchasing Entities from enforcing such provision or right on any future occasion. The rights and remedies of the State and Authorized Purchasing Entities herein are cumulative and are in addition to any other rights or remedies that the State and Authorized Purchasing Entities may have at law or in equity.

## **13. ORDER OF PRECEDENCE**

In the event of any inconsistency between the articles, attachments, specifications or provisions which constitute the CA Agreement, the following order of precedence shall apply:

- 1) The PA including the General Provisions - Wireless Voice and Data Services.
- 2) The NASPO Master Agreement (Master Agreement), and any attachments thereto.
- 3) Purchase Order and related ordering documents such as Work Authorizations (subject to Section 4 of the PA).

## **14. SUBSTITUTIONS**

Substitution of Deliverables may not be tendered without five (5) days advance written consent of the Authorized Purchasing Entities. The Contractor shall not use any specification in lieu of those contained in the PA without written consent of the Authorized Purchasing Entities.

**15. SERVICE INTERRUPTIONS**

The Contractor's liability for Service interruptions, if any, shall be limited to credit out of allowances provided for in the Master Agreement.

**16. ENHANCEMENT OF CELLULAR SERVICE**

The Authorized Purchasing Entities must obtain the Contractor's prior approval (which Contractor may withhold in its sole discretion) and written agreement before they may install, deploy or use any regeneration equipment or similar mechanism (for example, a repeater) to originate, amplify, enhance, retransmit or regenerate Cellular Service.

**17. SAFETY AND ACCIDENT PREVENTION**

In performing work on Authorized Purchasing Entities premises, the Contractor shall conform to any specific safety requirements required by law or regulation. The Contractor may consider any additional precautions as reasonably requested by the Authorized Purchasing Entities for safety and accident prevention purposes.

**18. INSURANCE**

The Contractor shall maintain all commercial general liability insurance, workers' compensation insurance and any other insurance required under the Master Agreement.

**19. TERMINATION FOR THE CONVENIENCE OF THE STATE**

- a) The State may terminate this Contract for convenience if the Deputy Director, Department of Technology, Statewide Technology Procurement, or designee, determines that a termination is in the State's interest. The Deputy Director, Department of Technology, Statewide Technology Procurement, or designee, shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and the effective date thereof, such date not to be earlier than thirty (30) days from the date the notice is delivered.
- b) After receipt of a Notice of Termination, and except as directed by the State, the Contractor shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. The Contractor shall:
  - i. Stop work as specified in the Notice of Termination (except as required by any Disentanglement/Migration-Out Services).

- ii. Place no further subcontracts for materials, Services, or facilities, except as necessary to complete the continuing portion of the Contract.
  - iii. Terminate all subcontracts to the extent they relate to the work terminated.
  - iv. Settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts.
- c) After termination, the Contractor shall submit a final termination settlement proposal to the State in the form and with the information prescribed by the State. The Contractor shall submit the proposal promptly, but no later than ninety (90) days after the effective date of termination, unless a different time is provided in the Notice of Termination.
- d) The Contractor and the State may agree upon the whole or any part of the amount to be paid as requested under subsection c) above.
- e) Unless otherwise specified, upon the termination for convenience, the State shall have no obligation to pay the Contractor any amount other than in accordance with the terms of the this Contract the agreed upon price for Deliverables accepted by the State, adjusted for any savings on freight and other charges plus any unrecovered amortized capital costs originally identified in writing by the Contractor and approved in advance by the State, calculated using Generally Accepted Accounting Principles.

## **20. TERMINATION FOR DEFAULT**

Unless otherwise specified in the Contract:

- a) The State may, subject to the clause titled "Force Majeure", by written notice of default to the Contractor, terminate this Contract in whole or in part if the Contractor fails to:
- i. Deliver the Deliverables or perform the Services within the time specified in the Contract or any amendment thereto;
  - ii. Make progress, so that the lack of progress endangers performance of this Contract; or
  - iii. Perform any of the material provisions of this Contract.
- b) The State's right to terminate this Contract under subsection a) above, may be exercised if the failure constitutes a material breach of this Contract and if the Contractor does not cure such failure within the time frame stated in the State's cure notice, which in no event will be less than thirty (30) days.

- c) If, after termination, it is determined by a final decision that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the State.
- d) Both parties, State and the Contractor, upon any termination for default, have a duty to mitigate the damages suffered by it.
- e) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this Contract, and are subject to the clause titled "Limitation of Liability".

## **21. RIGHTS AND REMEDIES FOR DEFAULT**

- a) In the event any Deliverables furnished or Services provided by the Contractor in the performance of the PA should fail to conform to the requirements herein, the Authorized Purchasing Entities may reject the same, and it shall become the duty of the Contractor to reclaim and remove the Deliverables promptly, including by providing the Authorized Purchasing Entities with appropriate instructions for returning the Equipment, or to correct the performance of the Services, without expense to the Authorized Purchasing Entities, and promptly replace or re-perform all such rejected Deliverables or Services, as applicable, with others conforming to the Contract.
- b) In addition to any other rights and remedies, the Authorized Purchasing Entities may require the Contractor, at the Contractor's expense, to ship Deliverables via air freight or expedited routing to avoid or minimize actual or potential delay if the delay is the fault of the Contractor.
- c) In the event of the termination of the Contract, either in whole or in part, by reason of default or breach by the Contractor, any direct damages sustained by the Authorized Purchasing Entities in procuring any items which the Contractor agreed to supply shall be borne and paid for by the Contractor.
- d) The Authorized Purchasing Entities reserves the right to offset the reasonable cost of all direct damages caused to the Authorized Purchasing Entities against any outstanding invoices or amounts owed to the Contractor or to make a claim against the Contractor therefore.

## **22. LIMITATION OF LIABILITY**

- a) Except as may be otherwise approved by the California Department of Technology, Chief Technology Officer or designee, and subject to subsection b) below, the Contractor's liability for damages to the State for any cause

whatsoever, and regardless of the form of action, whether in contract or in tort, shall be limited to the Purchase Price. For purposes of this subsection a), "Purchase Price" will mean the aggregate PA price; except that, with respect to a Contract under which multiple Purchase Orders will be issued (e.g., a Master Agreement or Multiple Award Schedule contract), "Purchase Price" will mean the total price of the Purchase Order for the Deliverable(s) or Service(s) that gave rise to the loss, such that the Contractor will have a separate limitation of liability for each Purchase Order.

- b) The foregoing limitation of liability shall not apply (i) to any liability under the Section 9 (Compliance with Statutes and Regulations) (ii) to liability under Section 38 (Patent, Copyright, and Trade Secret Indemnity) or to any other liability (including without limitation indemnification obligations) for infringement of third party intellectual property rights; (iii) to claims covered by any specific provision herein calling for liquidated damages; (iv) to claims arising under provisions herein calling for indemnification for third party claims against the State or Authorized Purchasing Entities for bodily injury to persons or damage to real or tangible personal property caused by the Contractor's negligence or willful misconduct; (v) to costs or attorney's fees that the State or Authorized Purchasing Entities becomes entitled to recover as a prevailing party in any action, or (vi) to direct costs of mitigation, remediation and/or notification obligations resulting from any data breach.
- c) Nothing herein shall be construed to waive or limit the State's sovereign immunity or any other immunity from suit provided by law.
- d) In no event will either the Contractor or the State or Authorized Purchasing Entities be liable for consequential, incidental, indirect, special, or punitive damages, even if notification has been given as to the possibility of such damages, except (i) to the extent that the Contractor's liability for such damages is specifically set forth in the Purchase Order or (ii) to the extent that the Contractor's liability for such damages arises out of subsection b)(i), b)(ii), or b)(iv) above.

### **23. STATEMENT OF ECONOMIC INTERESTS**

As applicable, consultants can be categorized as a public official for purposes of adherence to Conflict of Interest laws and the filing of a Statement of Economic Interests (Form 700). As such, upon award and prior to beginning work, and on an annual basis, the consultant's staff and/or subcontractors (as applicable) engaged in performing the Services described in the PA are required to complete and submit a Form 700 to the

State of California. To acquire an exemption from this requirement, consultant must submit a request to the Department of Technology, Statewide Technology Procurement explaining the basis for the request and the staff or subcontractor staff to be excluded on that basis. Form 700 and instructions can be accessed at the California Fair Political Practices Commission website, <http://www.fppc.ca.gov>.

#### **24. ACCESS TO FACILITIES/FACILITIES ACCESS POLICIES**

- a) The Authorized Purchasing Entities acknowledge that the Contractor or its employees and/or subcontractors (collectively the "Contractor Personnel") may work closely with the Authorized Purchasing Entities to implement and perform the Services by working on the premises of participating Authorized Purchasing Entities.
- b) The Authorized Purchasing Entities will ensure that Contractor Personnel have access to Authorized Purchasing Entities' Locations as reasonably necessary for the Contractor to provide the Services for which the Contractor is responsible.
- c) Contractor Personnel will coordinate with the Authorized Purchasing Entities as necessary to obtain access to Authorized Purchasing Entities' Locations to perform the Services, or to perform other obligations as contained herein.
- d) If, as part of Authorized Purchasing Entities' agency or standard policies and procedures regarding the Contractors working onsite, Authorized Purchasing Entities may require Contractor Personnel to comply with the Authorized Purchasing Entities standard access policies, prior to placing an order, that requires access to Authorized Purchasing Entities' Locations ("Standard Access Agreements"), the Authorized Purchasing Entities will: (i) provide a copy of or an URL link to such Standard Access Agreements to the Contractor in advance of placing any order that requires access to the Authorized Purchasing Entities' Locations, or (ii) copies or references to Standard Access Agreements already executed by the Contractor that apply, if any, with a statement that those are still applicable to Contractor Personnel.

#### **25. USE AND ADVERTISING USE OF DATA**

The Contractor or its third party providers are not authorized to use, sell, resell, package or repackage or publicly display any information deemed by the Authorized Purchasing Entities as confidential, sensitive or personal information pursuant to the PA language or Authorized Purchasing Entities data without written express approval of the Authorized Purchasing Entities. This restriction includes key word searching or data mining of Authorized Purchasing Entities data.

**26. CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY**

- a) Except to the extent arising out of an Authorized Purchasing Entities Representative's (as defined below) own negligence, the Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of the Authorized Purchasing Entities, employees of the Authorized Purchasing Entities, persons designated by the Authorized Purchasing Entities for training, or any other person(s) other than agents or employees of the Contractor, designated by the Authorized Purchasing Entities for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Contractor's site or at the Authorized Purchasing Entities' place of business, provided that the injury or damage was caused by the fault, negligence, or willful misconduct of the Contractor.

The Contractor shall not be liable for damages solely arising out of or caused by an alteration or an Attachment not made or installed by the Contractor, or for damage to alterations or Attachments that may result from the normal operation and maintenance of the Deliverables provided by the Contractor during the Contract.

- b) The Contractor shall not be liable for damages solely arising out of or caused by an alteration or an Attachment not made or installed by the Contractor, or for damage to alterations or Attachments that may result from the normal operation and maintenance of the Deliverables provided by the Contractor during the Contract.

**27. INDEMNIFICATION**

The Contractor agrees to indemnify, defend and hold harmless the State and Authorized Purchasing Entities, its officers, agents and employees from any and all third party claims, costs (including without limitation reasonable attorneys' fees), and losses due to the injury or death of any individual, or the loss or damage to any real or tangible personal property, to the extent resulting from the willful misconduct or negligent acts or omissions of the Contractor or any of its affiliates, agents, subcontractors, employees, suppliers, or laborers furnishing or supplying work, Deliverables, Services, materials, or supplies in connection with the performance of this Contract. Such defense and payment will be conditional upon the following:

- a) The State and Authorized Purchasing Entities will notify the Contractor of any such claim in writing and tender the defense thereof within a reasonable time (but no delay or failure to so notify the Contractor shall relieve it of its obligations under the



PA except to the extent that Contractor has suffered actual prejudice by such delay or failure); and

- b) The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State and Authorized Purchasing Entities operations or liability, or when involvement of the State and Authorized Purchasing Entities is otherwise mandated by law, the State and Authorized Purchasing Entities may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (ii) where a settlement would impose liability on the State and Authorized Purchasing Entities, affect principles of California government or public law, or impact the authority of the State and Authorized Purchasing Entities, the California Department of Technology shall have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State and Authorized Purchasing Entities will reasonably cooperate in the defense and in any related settlement negotiations.

## **28. SERVICE TAXES, FEES, SURCHARGES, AND SURCREDITS**

- a) The Authorized Purchasing Entities shall be subject to Service taxes, fees, surcharges, and surcredits that are mandated by the government of the State of California (including the CPUC), and the federal government (including the FCC), as applicable. The Authorized Purchasing Entities shall be subject to Service taxes, fees, surcharges and surcredits mandated by the State and federal governments, and also as mandated by California local government jurisdictions and political subdivisions, as applicable. Mandates in effect at the time of award and as hereafter mandated may be recovered from Authorized Purchasing Entities of the applicable Service.
- b) The Authorized Purchasing Entities reserves the right to verify, and if necessary, challenge the Contractor and the applicable regulatory authority, the application by the Contractor of Service taxes, fees, surcharges, and surcredits referred to in subsection a) above. Should the Authorized Purchasing Entities consider the application of such items to be inappropriate, the Authorized Purchasing Entities and the Contractor shall meet and confer regarding the applicability of such items. If thereafter a dispute exists regarding the proper application of such items, the parties may resolve such disputes in accordance with Section 40, Disputes. Either party may seek guidance or clarification from the applicable regulatory

authority regarding the appropriate application of such items. If the application of such items is deemed inappropriate by the regulatory authority, the Contractor shall cease and/or revise the application of such items and, if appropriate, issue retroactive credits to the impacted Authorized Purchasing Entities.

- c) All charges under the PA are exclusive of applicable federal, state and local sales, use, excise, utility, and gross receipt taxes, other similar tax-like charges and surcharges. The Authorized Purchasing Entities will provide the Contractor the tax exemption certificates that comply with the requirements of the Internal Revenue Code and Regulations (i.e., see Internal Revenue Regulations section 49.4253-11 and IRS Publication 510 or their current equivalent versions). The Contractor agrees to exempt all Entities from federal excise taxes and E-9-1-1 taxes, all as applicable, promptly after the date the Contractor receives a duly authorized and valid exemption certificate. The Contractor agrees, for the purpose of federal exemption, that the State will act as the authorized agent for the PA in submitting exemption requests on behalf of all Authorized Purchasing Entities.

The Contractor shall be authorized to include as a separate line item a charge for reimbursement of sales tax or use tax expense that is incurred with respect to a sale of handsets, accessories, or other tangible property to Authorized Purchasing Entities, and the Authorized Purchasing Entities shall pay such sales tax or use tax reimbursement charge to the Contractor.

## **29. NEWLY MANUFACTURED EQUIPMENT**

Except where requested by the Authorized Purchasing Entity or when Equipment is provided as a warranty replacement, all Equipment furnished under the PA shall be newly manufactured Equipment or certified as new and warranted as new by the manufacturer; used or reconditioned Equipment is prohibited, unless otherwise specified.

## **30. PARTICIPATING ADDENDUM MODIFICATION**

- a) No amendment or variation of the terms of the PA shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the PA is binding on any of the parties.
- b) Any change to the Contractor's name will require a PA amendment. The State, upon notification and receipt of legal documentation indicating the name change from the Contractor, will process the required amendment, assuming no other change has been made to the business entity.

**31. NEWS RELEASES**

Any news releases, endorsements, advertising, and social media content pertaining to the PA shall not be made without prior written approval of the California Department of Technology and the applicable Authorized Purchasing Entity.

**32. SOFTWARE LICENSE**

Unless otherwise specified in the Purchase Order, the Contractor hereby grants to the Authorized Purchasing Entities and the Authorized Purchasing Entities accepts from the Contractor, subject to the terms and conditions of this Contract, a royalty-free, non-exclusive right to the use of Software Products in this Contract. The Authorized Purchasing Entities may use the Software Products only in connection with the use of the Service and according to the licensing terms specified in the Contract. Acceptance of the Software (including any click-to-accept (Click Wrap) third party Commercial Software/EULAs associated with Services sold under this Contract) will be governed by the terms and conditions of this Contract.

**33. PROTECTION OF CONTRACTOR FURNISHED PROPRIETARY SOFTWARE AND OTHER PROPRIETARY DATA**

- a) The Authorized Purchasing Entities agree that all material appropriately marked or identified in writing as proprietary, and furnished by the Contractor hereunder are provided for the Authorized Purchasing Entities exclusive use for the purposes of the PA only. All such proprietary data shall remain the property of the Contractor. The Authorized Purchasing Entities agree to take all reasonable steps to insure that such proprietary data are not disclosed to others, without prior written consent of the Contractor, subject to the California Public Records Act.
- b) The Authorized Purchasing Entities will insure, prior to disposing of any Contractor furnished media, that any licensed materials contained thereon have been erased or otherwise destroyed.
- c) The Authorized Purchasing Entities agree that they will take appropriate action by instruction, agreement or otherwise with its employees or other persons permitted access to the Contractor furnished licensed software and other proprietary data to satisfy its obligations in the PA with respect to use, copying, modification, protection and security of proprietary software and other proprietary data.

**34. FUTURE RELEASES**

Unless otherwise specifically provided in the Purchase Order, if improved versions, e.g., patches, bug fixes, updates or releases, of any Software Product are developed by the

Contractor, and are made available to other licensees, they will be made available to the Authorized Purchasing Entities at no additional cost. If the Contractor offers new versions or upgrades to the Software Product, they shall be made available to the Authorized Purchasing Entities at the Authorized Purchasing Entities option at a price no greater than the Master Agreement price plus a price increase proportionate to the increase from the list price of the original version to that of the new version, if any. If the Software Product has no list price, such price increase will be proportionate to the increase in average price from the original to the new version, if any, as estimated by the Contractor in good faith.

### **35. ENCRYPTION & AUTHORIZATION KEYS**

Upon initiation of Service, the Contractor, where applicable, shall provide all encryption and authorization keys required by the Authorized Purchasing Entities to operate or access the Software Products, Services or Equipment.

### **36. PATENT, COPYRIGHT AND TRADE SECRET INDEMNITY**

- a) The Contractor will indemnify, defend, and hold harmless the State and Authorized Purchasing Entities, its officers, agents and employees, from any and all third party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement or violation of any U.S. Intellectual Property Right by any product, equipment or service provided hereunder. With respect to claims arising from Equipment or Software manufactured by a third party and sold by the Contractor, pursuant to this Contract, the Contractor will pass through to the State and Authorized Purchasing Entities such indemnity rights as it receives from such third party ("Third Party Obligation") and will cooperate in enforcing them; provided that if the third party manufacturer fails to honor the Third Party Obligation, the Contractor will provide the State and Authorized Purchasing Entities with indemnity protection equal to that called for by the Third Party Obligation, but in no event greater than that called for in the first sentence of this section. The provisions of the preceding sentence apply only to third party Equipment or Software sold as a distinct unit and accepted by the State and Authorized Purchasing Entities. Unless a Third Party Obligation provides otherwise, the defense and payment obligations set forth in this subsection will be conditional upon the following:
  - i. The State and Authorized Purchasing Entities will notify the Contractor of any such claim in writing and tender the defense thereof within a reasonable time; and

- ii. The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that: (a) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State and Authorized Purchasing Entities operations or liability, or when involvement of the State and Authorized Purchasing Entities is otherwise mandated by law, the State and Authorized Purchasing Entities may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (b) where a settlement would impose liability on the State and Authorized Purchasing Entities, affect principles of California government or public law, or impact the authority of the State and Authorized Purchasing Entities, the California Department of Technology will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (c) the State and Authorized Purchasing Entities will reasonably cooperate in the defense and in any related settlement negotiations.
- b) Should the Deliverables (including any Software or Equipment) or Cellular Service, or the operation thereof, become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement or violation of a U.S. Intellectual Property Right, the State and Authorized Purchasing Entities shall permit the Contractor, at its option and expense either (i) to procure for the State and Authorized Purchasing Entities the right to continue using the Deliverables or Cellular Service (ii) to replace or modify the same so that they become non-infringing or (iii) discontinue Cellular Service to the infringing lines and refund any amounts prepaid by the State and Authorized Purchasing Entities for such Service for the period after the State and Authorized Purchasing Entities cease use of the Deliverables or Cellular Service. If none of these options can reasonably be taken, or if the use of such Deliverables or Service by the State and Authorized Purchasing Entities shall be prevented by injunction, the Contractor agrees to take back such Deliverables and make every reasonable effort to assist the State and Authorized Purchasing Entities in procuring substitute Deliverables. If in the reasonable, good faith opinion of the State and Authorized Purchasing Entities, the return of such infringing Deliverables makes the retention of other Deliverables or the use of Services acquired from the Contractor under the PA impractical, the State and Authorized Purchasing Entities shall then have the option of terminating such PAs or applicable Purchase Order thereof, without penalty or termination charge. The Contractor agrees to take back such Deliverables and refund any sums the State

and Authorized Purchasing Entities has paid the Contractor less any reasonable amount for use or damage.

- c) The Contractor shall have no liability to the State and Authorized Purchasing Entities under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:
- i. The combination or utilization of Cellular Service furnished hereunder with Equipment, Software, or devices not provided or made available by the Contractor; or,
  - ii. The operation of Equipment furnished by the Contractor under the control of any operating software other than, or in addition to, the current version of Contractor or manufacturer-supplied operating software; or
  - iii. The unauthorized modification by or on behalf of the State and Authorized Purchasing Entities of the Equipment or Software furnished hereunder; or
  - iv. Any illegal or unauthorized use of the Cellular Service; or
  - v. The Authorized Purchasing Entities continuance of an infringing activity after being notified thereof; or
  - vi. Any negligent or willful act or omission by or attributable to the Authorized Purchasing Entities.
- d) The Contractor certifies that it has appropriate systems and controls in place to ensure that Authorized Purchasing Entities funds will not be used in the performance of the PA for the acquisition, operation, or maintenance of Software or Equipment in violation of U.S Intellectual Property laws.

### **37. EXAMINATION AND AUDIT**

Unless otherwise specified in the Purchase Order:

- a) Without limiting any examination or audit rights, or other rights of the State and Authorized Purchasing Entities set forth in the Contract, the Contractor agrees that the State and Authorized Purchasing Entities, or its designated representative, shall have the right, to audit, review and copy any records and supporting documentation pertaining to performance of and invoicing under this Contract. The Contractor agrees to maintain such records for possible audit for a minimum of four (4) years after final payment and five (5) years for Federal Universal Service Fund ("E-rate") funded projects, unless a longer period of records retention is stipulated or required by law. The Contractor agrees to allow the auditor(s) access

to such records during normal business hours and to allow interviews of any employees or others who might reasonably have information related to such records. The State and Authorized Purchasing Entities agrees to take all reasonable steps to ensure that such information is not disclosed to third parties, subject to the California Public Records Act or other lawful process (e.g. in response to a subpoena).

- b) For avoidance of doubt, audits may include those conducted by personnel of the State and Authorized Purchasing Entities, or its designated representative, in performance of PA oversight responsibilities in reviewing invoices, monthly fiscal management and/or other required reports, as well as the application of Service taxes, fees, surcharges and surcredits on invoices.
- c) Subject to the Disputes clause, if an audit reveals that the Contractor has overcharged the State and Authorized Purchasing Entities for Service(s) during the period to which the audit relates, then the Contractor shall promptly refund such overcharges to the State and Authorized Purchasing Entities as appropriate, and, if the amount of the overcharge (offset by any undercharges revealed by such audit) is more than five percent (5%) of the Contractor's charges to the State and Authorized Purchasing Entities for such Service(s) for such period, the reasonable cost of such audit (including any imputed costs of State and Authorized Purchasing Entities for audits performed by the State and Authorized Purchasing Entities itself) shall be borne by the Contractor.
- d) If any audit reveals an inadequacy or insufficiency of the Contractor's performance, including performance in connection with any security obligations of the Contractor as set forth in this Contract, the Contractor shall promptly develop and provide to the State and Authorized Purchasing Entities, for approval, a reasonable and detailed corrective action plan and promptly thereafter implement such plan in accordance with its terms. In addition, the cost of such audit, and subsequent related audits or audit activity, shall be borne by the Contractor in the event that: (i) the State and Authorized Purchasing Entities specifically identifies a particular deficiency with respect to the Contractor's performance of any particular Service; and (ii) The Contractor either denies or fails to cure such identified deficiency within thirty (30) calendar days. Further, the Contractor agrees to include an equivalent right of the State and Authorized Purchasing Entities to audit records and interview staff in any subcontract related to performance of and invoicing under this Contract.

- e) Notwithstanding anything to the contrary in this section, the State and Authorized Purchasing Entities or any auditing body or its designated representative, agrees that it will not exercise the audit rights described in this section more than once per calendar year, however, any follow-up reviews or other investigations related to an audit initiated under this section may be conducted at any time and upon reasonable notice.
- f) Where the Contractor conducts an internal audit of the Contractor's performance under the PA which shows any significant failures by the Contractor to meet its obligations hereunder, the Contractor shall provide to the State and Authorized Purchasing Entities a written summary describing in reasonable detail such findings of such internal audit. If the Contractor determines at any time that it has overcharged any Authorized Purchasing Entities, then the Contractor shall promptly provide to the applicable Authorized Purchasing Entities a credit equal to the amount of such overcharge plus interest from the date of the Contractor's receipt of such overcharge at a rate which is consistent with the rate provided in the California Prompt Payment Act, Government Code section 927 et seq.
- g) The Contractor agrees that (i) the State or its designees will have the right to obtain, copy and review all billing records of public or local government entities purchasing under this PA; and (ii) the State and Authorized Purchasing Entities may forward audit results showing call rate discrepancies to the CPUC.

### **38. CONTINUING STANDARDS OF PERFORMANCE FOR CONTRACTOR SERVICES**

Unless otherwise specified in the Purchase Order:

a) Applicability:

The Contractor agrees that subsequent to completion of the successful performance period and acceptance of the Services by the Authorized Purchasing Entities, the Contractor will comply with the availability and/or performance requirements and criteria established in the PA throughout the full PA Term, including any extensions.

b) Causes and Effects of Contractor Service Malfunctions:

- i. The Authorized Purchasing Entities recognize that Equipment failures do occur, and that software is not infallible. Moreover, the Authorized Purchasing Entities concedes that conditions external to Equipment may cause it to fail, particularly environmental conditions, that are outside the Equipment design operating parameters. The Authorized Purchasing Entities agree, therefore, that



unsatisfactory Contractor Service performance which is outside the control of the Contractor will not be considered in a determination of the level of performance.

- ii. In the event the Contractor's Service failure or unsatisfactory performance is a result of factors external to the PA, the Contractor agrees to make appropriate recommendations to the Authorized Purchasing Entities in order that such external factors may be corrected to preclude future problems of a similar nature. Within five (5) business days after such failure occurs, the Contractor shall meet and confer with the Authorized Purchasing Entities regarding appropriate next steps, which may include preparation, for the Authorized Purchasing Entities review, comment and approval, of a milestone-based action plan making such recommendations and corrections described in the preceding sentence.
- iii. In the event that the precise cause of a failure cannot be readily determined, both the Authorized Purchasing Entities and the Contractor shall continue to research the situation until the probable cause has been identified or until agreement is reached that the probable cause cannot be identified. Within five (5) business days after such failure occurs (or such other timeframe specified in the solicitation), the Contractor shall meet and confer with the Authorized Purchasing Entities regarding appropriate next steps, which may include preparation, for the Authorized Purchasing Entities review, comment and approval, of a milestone-based action plan for researching the probable cause of the failure.

c) Levels of Performance Required

The Contractor shall perform the Deliverables or Services at the levels of quality, completeness, accuracy, timeliness, responsiveness and efficiency that are consistent with the accepted industry standards or Service Level Agreements applicable to the performance of such Deliverables and the Services or, if higher, the levels of the same received by the Authorized Purchasing Entities prior to the Effective Date and as set out in applicable Service performance exhibits or the Purchase Order, agreed upon by the parties and incorporated into the Contract. Without limiting the foregoing or other obligations of the Contractor, for those Deliverables, requirements, and Services for which the Purchase Order specifies a particular Service level, the Contractor shall provide all Deliverables, requirements, and Services at levels at least in accordance with such Service levels.

## d) Remedies for Unacceptable Levels of Performance

The remedies provided in this section shall be in addition to any remedies regarding Warranty. If a Contractor Deliverable, requirement, or Service does not meet the minimum level of performance as set forth in the Purchase Order, the remedy or process for correction set forth in the Purchase Order will be followed by the parties. If the specific Deliverable or Service has no remedy or process for correction set forth in the Purchase Order, Authorized Purchasing Entities shall promptly notify the Contractor in writing of such unacceptable performance and the impact on the Authorized Purchasing Entities, and the Contractor shall promptly initiate action to remedy the unsatisfactory performance. The Contractor shall, at its option, take one or more of the following actions to correct the situation:

- i. Provide on-site Contractor personnel for analysis of the problem;
- ii. Replace the faulty Equipment, Deliverable or Service;
- iii. Provide substitute Equipment, Deliverable or Service satisfactory to the Authorized Purchasing Entities;
- iv. Modify the Equipment, Deliverable or Service; or
- v. Take any other action with which the Authorized Purchasing Entities concurs.

If the Contractor fails to correct an unacceptable level of performance with respect to any Equipment, Deliverable, or Service to the requirements of the PA during the thirty (30) calendar days following receipt of written notice from the Authorized Purchasing Entities (or such other timeframe specified in the Contract), the Authorized Purchasing Entities and the Contractor can mutually agree to extend the time to a specified date. If the Contractor fails to correct the situation to the satisfaction of the Authorized Purchasing Entities by the end of the specified time period, then, without limiting any other remedy specified in the Contract, the Authorized Purchasing Entities may (i) secure replacement Equipment, Deliverables or Services with the Contractor responsible for payment of Costs to Cover, and/or (ii) terminate that portion of the Purchasing Order relating to the deficient equipment, Deliverable, Requirement, or Service. The above-described remedies are not intended to constrain either party from any other action mutually agreed to by the Contractor and the Authorized Purchasing Entities as being more appropriate or to limit any of the Authorized Purchasing Entities other rights and remedies under this Contract, at law or in equity, including the exercise of Section 46 (Set-Off Rights).

e) Replacement or Substitution of Equipment by the Contractor

If the Contractor, in an attempt to improve the level of performance, replaces or substitutes Equipment or Service that meets all of the PA requirements, such replacement or substitution shall be at no cost to the Authorized Purchasing Entities.

f) Review of Performance

The Contractor's performance will be periodically evaluated in accordance with the Service levels for each Service delivered throughout the term of this Contract. In accordance with the California Government Code, the Contractor performance evaluation will be completed within the guidelines of the State Administrative Manual.

### **39. AVAILABILITY**

- a) If at any time after award of this Contract, the Contractor becomes unable to provide any part of its contracted Services, the Contractor must, within ten (10) Business Days, notify the Authorized Purchasing Entities in writing to seek a potential resolution, and if appropriate, propose a replacement of those Services which it can no longer provide. The replacement must be at no cost to the Authorized Purchasing Entities, and shall be materially equivalent to or exceed the proposed Service which was previously offered and accepted by the Authorized Purchasing Entities in the Contractor's Final Bid or awarded Contract.
- b) The Authorized Purchasing Entities reserve the sole right to determine if the proposed replacement is acceptable. An inability to provide a Mandatory requirement may be grounds for PA termination in whole or in part.

### **40. DISPUTES**

Unless otherwise specified in the Contract:

- a) The parties shall deal in good faith and attempt to resolve potential disputes informally.
- b) If the dispute persists, the Contractor shall submit to the Authorized Purchasing Entities' Director or designee a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to or involving this PA. The Contractor's written demand shall be fully supported by factual information, and if such demand involves a cost adjustment to the applicable Purchase Order, the Contractor shall include with the demand a written statement

signed by an authorized person indicating that the demand is made in good faith, that the supporting data are accurate and complete and that the amount requested accurately reflects the Purchase Order adjustment for which the Contractor believes the Authorized Purchasing Entities are liable. The Authorized Purchasing Entities' Director or designee shall have thirty (30) days after receipt of the Contractor's written demand invoking this Section 42 (Disputes) to render a written decision. If a written decision is not rendered within thirty (30) days after receipt of the Contractor's demand, it shall be deemed a decision adverse to the Contractor's contention.

- c) If the Contractor is not satisfied with the decision of the Authorized Purchasing Entities' Director or designee, the Contractor may appeal the decision, in writing, within fifteen (15) days of its issuance (or the expiration of the thirty (30) day period in the event no decision is rendered by the Authorized Purchasing Entities, to the Department of Technology, Statewide Technology Procurement Deputy Director or designee, who shall have thirty (30) days to render a final decision. If the Contractor does not appeal the decision of the Authorized Purchasing Entities' Director or designee, the decision shall be conclusive and binding regarding the dispute and the Contractor shall be barred from commencing an action in court.
- d) Pending the final resolution of any dispute arising under, related to or involving this PA, the Contractor agrees to diligently proceed with the performance of the applicable Purchase Order.
- e) Any final decision of the State shall be expressly identified as such, shall be in writing, and shall be signed by the Department of Technology Statewide Technology Procurement Deputy Director or designee if an appeal was made. If Department of Technology Statewide Technology Procurement Deputy Director or designee fails to render a final decision within thirty (30) days after receipt of the Contractor's appeal for a final decision, it shall be deemed a final decision adverse to the Contractor's contentions. The State's final decision shall be conclusive and binding regarding the dispute unless the Contractor commences an action in a court of competent jurisdiction to contest such decision within ninety (90) days following the date of the final decision or one (1) year following the accrual of the cause of action, whichever is later.

#### **41. STOP WORK**

- a) The Authorized Purchasing Entities may, at any time, by written Stop Work Order to the Contractor, require the Contractor to stop all, or any part, of the work called

for by the applicable Purchase Order for a period of forty-five (45) days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this clause. Upon receipt of the Stop Work Order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of forty-five (45) days after a Stop Work Order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Authorized Purchasing Entities shall either: (i) Cancel the Stop Work Order; or (ii) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of the PA.

- b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Contractor shall resume work. The Authorized Purchasing Entities shall make an equitable adjustment in the delivery schedule, the Purchase Order price, or both, and the Purchase Order shall be modified, in writing, accordingly, if: (i) The Stop Work Order results in an increase in the time required, or in the Contractor's cost properly allocable to the performance of any part of this Contract; and (ii) The Contractor asserts its right to an equitable adjustment within sixty (60) days after the end of the period of work stoppage; provided, that if the Authorized Purchasing Entities decides the facts justify the action, the Authorized Purchasing Entities may receive and act upon a proposal submitted at any time before final payment under this Contract.
- c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for the Convenience of the State, the State shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- d) The State and Authorized Purchasing Entities shall not be liable to the Contractor for loss of profits because of a Stop Work Order issued under this clause.

#### **42. COVENANT AGAINST GRATUITIES**

The Contractor represents and warrants to the State that no gratuities (in the form of entertainment, gifts or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the State with a view toward securing the PA or securing favorable treatment with respect to any determinations concerning the performance of the PA. For breach or violation of this

representation and warranty, the State shall have the right to terminate the PA, either in whole or in part. The rights and remedies of the State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or equity.

#### **43. ASSIGNMENT OF ANTITRUST ACTIONS**

Pursuant to Government Code sections 4552, 4553, and 4554, the following provisions are incorporated herein:

- a) In submitting a bid to the State, the supplier offers and agrees that if the bid is accepted, it will assign to the State all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. 15) or under the Cartwright Act (Chapter 2, commencing with section 16700, or Part 2 of Division 7 of the Business and Professions Code), arising from purchases of Equipment, material and other items, or Services by the supplier of sale to the State pursuant to the solicitation. Such assignment shall be made and become effective at the time the State tenders final payment to the supplier.
- b) If the State receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the State any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the State as part of the bid price, less the expenses incurred in obtaining that portion of the recovery.
- c) Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (i) The assignee has not been injured thereby, or (ii) The assignee declines to file a court action for the cause of action.

#### **44. RECYCLING**

The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code section 12200 -12209, in products, materials, Equipment, or supplies offered or sold to the State that fall under any of the statutory categories regardless of whether the product meets the requirements of section 12209.

The certification shall be provided by the Contractor, even if the product or good contains no postconsumer recycled material, and even if the postconsumer content is

unknown. With respect to printer or duplication cartridges that comply with the requirements of section 12156(e), the certification required by this subsection shall specify that the cartridges so comply (Public Contract Code section 12205(b)(2)). A state agency contracting officer may waive the certification requirements if the percentage of postconsumer material in the products, materials, Equipment, or supplies can be verified in a written advertisement, including, but not limited to, a product label, a catalog, or a manufacturer or vendor Internet web site. The Contractor is to use, to the maximum extent economically feasible in the performance of the PA work, recycled content products (Public Contract Code section 12203(d)).

#### **45. CHILD SUPPORT COMPLIANCE ACT**

For any PA in excess of \$100,000, the Contractor acknowledges in accordance with Public Contract Code section 7110, that:

- a) The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b) The Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

#### **46. SET-OFF RIGHTS**

Notwithstanding anything to the contrary in this Contract, and in addition to the other rights of the State and/or the applicable Authorized Purchasing Entities hereunder with respect to disputing invoices or withholding amounts, the State and/or the Authorized Purchasing Entities, in its sole discretion, may set off against any and all amounts otherwise payable to the Contractor pursuant to any of the provisions of this Contract: (i) any and all amounts claimed by the State and/or the Authorized Purchasing Entities in good faith to be owed by the Contractor to the State and/or the Authorized Purchasing Entities to any of the provisions of this Contract; and (ii) any and all amounts that the State and/or Authorized Purchasing Entities believes in good faith that it does not owe to the Contractor pursuant to any of the provisions of this Contract. Within twenty (20) calendar days after any such set-off by the State and/or applicable Authorized Purchasing Entities, the State and/or applicable Authorized Purchasing

Entities shall provide the Contractor with a written accounting of such set-off, a written statement of the reasons therefore, and a reasonable opportunity to meet and discuss the claimed set-off. In the event the Contractor does not agree with the set-off applied, the Contractor or Authorized Purchasing Entities may contact the State to seek equitable resolution or exercise its rights under applicable law.

#### **47. CONTRACTOR PERSONNEL**

- a) When the Contractor needs access to Authorized Purchasing Entities' premises to perform the required Services under this Contract, the Contractor personnel shall perform their duties during Authorized Purchasing Entities' regular work days and normal work hours, except as may be specifically agreed to otherwise by the Authorized Purchasing Entities and the Contractor.
- b) The Authorized Purchasing Entities reserve the right to disapprove the continuing assignment of the Contractor personnel working on Authorized Purchasing Entities' premises. If the Authorized Purchasing Entities exercise this right, and the Contractor cannot immediately replace the disapproved personnel, the Authorized Purchasing Entities agree to an equitable adjustment in schedule or other terms that may be affected hereby.
- c) The Contractor will make every effort consistent with sound business practices to honor the specific, commercially reasonable request of the Authorized Purchasing Entities with regard to assignment of its employees; however, subject to the above paragraph and the paragraph below, the Contractor reserves the sole right to determine the assignment of its employees. If a Contractor employee is unable to perform due to illness, resignation, or other factors beyond the Contractor's control, the Contractor will make reasonable effort to provide suitable substitute personnel.

The Contractor represents that the individuals designated as PA Contact in the PA are, and promises that any subsequent PA Contact shall be, experienced professionals, possessing the appropriate knowledge, skills, and expertise to perform properly their assigned duties. The Contractor may transfer or terminate PA Contact at any time in the event the needs of the Contractor's business support a transfer, or the individual is eligible for a promotion or other positive type of employment opportunity, or the individual's personal life experience requires a transfer, or the individual's employment is terminated for "good cause" (which term, as used in this Contract, means cause for termination, including a lay-off, as determined in accordance with the Contractor's employment policies,



consistently applied). The Contractor shall exercise every reasonable effort to notify the State prior to the transfer of PA Contact to another position within the Contractor's organization, including upon any such replacement or reassignment if the function being performed by the individual being replaced or reassigned is eliminated from the Services. If any of the PA Contact is reassigned, becomes incapacitated, or ceases to be employed by the Contractor, and therefore becomes unable to perform the functions or responsibilities assigned to such person, the Contractor shall promptly replace such person with another person at least as well qualified to perform such functions and responsibilities as the person being replaced.

The parties acknowledge that qualifications include a mix of experience and education and that equally qualified individuals may have different mixes thereof. The Contractor shall cause its subcontractors to comply with this provision with respect to any of individuals of such subcontractors that are designated as PA Contact.

#### **48. CONTRACTOR BUSINESS RELATIONSHIP RESPONSIBILITY**

The Contractor shall cooperate in good faith with the State and Authorized Purchasing Entities and the other contractors as necessary, including participation in any advisory forum established by the State and Authorized Purchasing Entities and the establishment of business processes that facilitate the orderly Transition, Migration, and Transfer of Authorized Purchasing Entities to other said Services and the implementation of any other ongoing provisioning support for Services.

#### **49. PROVISIONING OF DELIVERABLES AND SERVICES**

The Authorized Purchasing Entities may order Deliverables and Services under the PA by issuing the appropriate Purchase Order. The Contractor will not commence provisioning Deliverables or Services for a given Authorized Purchasing Entities until the Contractor receives a complete, signed, accepted, and accurate order form.

#### **50. NEED FOR CONTRACTOR SERVICES DUE TO EMERGENCY**

Unless otherwise specified in the Purchase Order, an emergency is defined in Public Contract Code Section 1102: "Emergency," as used in this code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public Services.

- a) The Contractor shall make reasonable effort to assist the Authorized Purchasing Entities in procuring use of the Contractor Services consistent with that provided under the PA to meet emergencies. The price for such compatible Services shall be reasonably set by the Contractor and, to the extent possible, shall be no greater than the PA rates set forth in the PA.
- b) The Authorized Purchasing Entities, at its option, may accept or reject the use of emergency equipment.

## **51. NON-EXCLUSIVE AGREEMENT**

Nothing in the PA shall be construed as a requirements contract or interpreted as preventing the Authorized Purchasing Entities from obtaining, consistent with Authorized Purchasing Entities policy, any portion, component, subset or all of the Services offered under the terms and conditions of the PA, or any other Services (analogous, similar, comparable or otherwise) from third parties, or providing the same to itself. Nor shall anything in the PA be construed or interpreted as limiting the Authorized Purchasing Entities right or ability during the Term of the PA to increase or decrease its demand for Services hereunder. To the extent the Authorized Purchasing Entities, consistent with Authorized Purchasing Entities policy, obtains from third parties, or provides to itself, replacement Services for any of the Services hereunder, the amount to be paid to the Contractor by the Authorized Purchasing Entities will be for Products and Services delivered and for the remaining Products and Services.

## **52. CHARGES**

Unless otherwise specified in the Purchase Order (or rate plan thereunder):

The Contractor agrees that the Authorized Purchasing Entities are not subject to any minimum monthly usage charges for any Services contracted under this Contract.

- a) The Contractor agrees that Services not identified in the PA may not be provided nor charged to the Authorized Purchasing Entities pursuant to the PA, but that the Contractor may use the invoicing process of the PA so as to allow for invoicing of Services not related to the PA, provided that such items are clearly identified as not related to the PA and the Contractor otherwise complies with the requirements in the PA related to invoicing.
- b) The Contractor agrees that charges not identified in the PA may not be assessed to the Authorized Purchasing Entities in accordance with subsection a).
- c) Invoices for all contracted Services shall not be subject to late payment charges prior to the Purchase Order defined due date.

**53. CONTRACTOR COMMITMENTS AND REPRESENTATIONS**

Any written commitment by a duly authorized representative of the Contractor within the scope of the PA shall be binding upon the Contractor. Failure of the Contractor to fulfill any such commitment shall render the Contractor liable for performance deficiency charges or other damages due to the Authorized Purchasing Entities as set forth herein. Such written commitments include but are not limited to:

- a) Any warranty or representation expressly made by the Contractor as to Deliverables, Service, equipment or software performance, total System performance, or other physical design or functioning characteristics of a Machine or software System.
- b) Any warranty or representation expressly made by the Contractor concerning the characteristics of the items described in (a) above, made in any publication, drawings, or specifications accompanying or referred to in the PA.
- c) Any written notification of or affirmation or representation as to the above which is made by the Contractor in or during the course of negotiations and which is incorporated into a formal amendment to the PA .

**54. SERVICE TO PUBLIC ENTITIES AND LOCAL GOVERNMENT AGENCIES**

In accordance with Government Code Section 11541, the Contractor agrees to provide Service to all Authorized Purchasing Entities in the State pursuant to the PA and hereby acknowledges that the State is not responsible for payment, Deliverables, requirements or services rendered these entities. The Contractor agrees that it shall have no recourse against the State for any act or omission of the Authorized Purchasing Entities, which arises from the Contractor furnishing Equipment or Services pursuant to the PA. The Contractor understands and acknowledges that under the PA the State neither promises nor guarantees any minimum amount of revenue for the Contractor or minimum amount of Deliverables, requirements, or Services to be purchased.

**55. SERVICE COSTS**

The Contractor's list of Service and product descriptions accepted by the Authorized Purchasing Entities shall correlate the Service to the associated PA rates as applicable under the PA. All Service costs will include all monthly recurring and usage charges, volume discounts, and non-recurring charges as applicable. Listed pricing will include all elements necessary to configure an instance of working Service including activation, delivery, and training. Any no-cost items will be clearly identified and any Service elements without associated pricing will be considered no charge items.

**56. FEDERAL UNIVERSAL SERVICE FUND**

Federal Grant programs are available to schools and libraries under the Universal Service Fund. This program, also referred to as E-rate funding, provides support to schools and libraries in accessing telecommunications Services. To the extent such programs are applicable to the Services under the PA, as determined by the Authorized Purchasing Entities, or required by law, the Contractor agrees to:

- a) Provide PA Services to public entities qualified for Universal Service Fund Support;
- b) Be certified as a Universal Service Administrative Company (USAC);
- c) Meet Federal requirements for timeliness and accuracy in processing E-rate and other USAC program request and invoicing; and

**57. EXISTING EQUIPMENT & TITLE TO EQUIPMENT**

- a) The Contractor agrees to reasonably accommodate Authorized Purchasing Entities and utilize existing equipment. The Contractor's proposed Services shall reasonably accommodate the use of such existing Authorized Purchasing Entities' equipment.

Title to equipment, accessories, and devices provided under the PA shall not vest in the State, unless such items are purchased by the State. All devices and accessories furnished by the Contractor hereunder, except those purchased by the Authorized Purchasing Entities, shall accompany the equipment when returned to the Contractor.

**58. UNLAWFUL USE**

Authorized Purchasing Entities will not use any Service for any unlawful purpose. Without limiting any other remedy specified in the PA, the Contractor reserves the right to take any action it deems necessary to prevent unlawful use and to control fraudulent use. Such actions by the Contractor may include, but are not limited to, blocking certain traffic, refusing to accept calling card, collect calling and or third number calls, or discontinuing provision of Service to the End-User or canceling the End-User's account.

**59. DISENTANGLEMENT (MIGRATION-OUT)**

- a) Term Migration-Out shall be synonymous with Disentanglement. The Migration-Out shall begin on the earlier of the following dates, as applicable, the "Migration-Out Commencement Date": (1) as elected by the State, up to sixty (60) calendar days prior to the end of the PA Term that the State has not elected to extend pursuant Section 3 (PA Effective Date) or has already extended fully as permitted under this

section; or (2) the date a Notice of Termination is delivered pursuant to Section 19 (Termination for the Convenience of the State) or Section 20 (Termination for Default); or (3) the Authorized Purchasing Entities' election pursuant to Section 54, Non-Exclusive Agreement, to obtain any portion, component, subset or all of the Services offered under the terms and conditions of the PA, or any other Services (analogous, similar, comparable or otherwise) from third parties, including other Contractors, or to provide the same to itself. The Contractor shall provide Migration-Out Services until it has completed the obligations of this Section.

The Contractor's obligation to continue to provide the affected Services shall continue until the earlier of (i) completion of a migration to a new Service provider as provided in this Section, or (ii) eighteen (18) months after the effective date of any termination or expiration. During Migration-Out, the Contractor shall continue to provide Service(s) in a manner consistent with the Contractor's provision and performance of such Service(s) during the period such Service(s) were provided to the Authorized Purchasing Entities hereunder.

- b) Subject to the performance by the Authorized Purchasing Entities and any subsequent provider of similar Services, the Contractor shall cooperate fully with the Authorized Purchasing Entities and third parties and shall take all actions requested by the Authorized Purchasing Entities or as necessary to accomplish a smooth, complete conversion of responsibility for the Services being terminated from the Contractor to the Authorized Purchasing Entities, or to any replacement provider designated by the Authorized Purchasing Entities (a "Migration-Out"), with no material interruption of, or adverse impact on, the Authorized Purchasing Entities in any way, including on the Services. In the event the Authorized Purchasing Entities elects to terminate any Service (but not all Services in the aggregate) pursuant to the terms hereof, the Contractor shall perform its Migration-Out obligations hereunder to the extent applicable to the Service or Services being terminated. The Contractor's obligations hereunder regarding the collection and payment to the California Department of Technology of administrative fees shall continue throughout Migration-Out.
- c) If the Authorized Purchasing Entities determines that the Contractor has not complied, or is unlikely to comply, with Migration-Out requirements identified in the Migration-Out Plan, and such non-compliance was a direct result of the Contractor, Subcontractor or supplier, and not due to any third party or situations outside the control of the Contractor, as determined by the Authorized Purchasing Entities, the Authorized Purchasing Entities may give written notice to the

Contractor of non-compliance. After such notice, the Contractor shall provide to the Authorized Purchasing Entities all necessary additional Contractor personnel to accelerate performance as may be required or necessary to timely achieve compliance or, if the Contractor has already failed to comply, achieve compliance within a re-adjusted time frame established by the Authorized Purchasing Entities. The Contractor shall have seven (7) calendar days, or longer if agreed to by the Authorized Purchasing Entities in writing, to achieve compliance.

For each material Migration-Out requirement not completed after the notice of non-compliance period, the Authorized Purchasing Entities shall be entitled to invoice the Contractor for up to \$2,000 per day for each material deficiency, not to exceed \$10,000 per day for all deficiencies until the Contractor is in material compliance with the requirements of the Migration-Out Plan. The Contractor may exercise its dispute rights under Section 42 (Disputes), in the event that the Contractor disagrees with the Authorized Purchasing Entities application of this Section; however, pending final resolution of any dispute, the Contractor shall diligently proceed without disruption or delay with the performance of the Migration-Out Plan.

All Migration-Out Services performed by the Contractor during the conversion shall be performed by the Contractor at no additional cost to the Authorized Purchasing Entities beyond what the Authorized Purchasing Entities would pay for the Services.

The Contractor shall provide to the Authorized Purchasing Entities all their data and documentation and other information reasonably requested by the Authorized Purchasing Entities in connection with the conversion that is sufficient to enable the Authorized Purchasing Entities, or another reasonably competent Service provider, to fully assume the provision of any terminated Services. Except as the Contractor is otherwise required to retain such data under the PA or by law, the Contractor shall destroy all copies of Customer data not turned over to the Authorized Purchasing Entities.

The Contractor shall export all artifacts and data to the requesting Customer. The Authorized Purchasing Entities reserves the right to define export data formats, storage media type, locations to which data is to be delivered, and other special criteria deemed necessary for successful Migration-Out.

- d) To the extent applicable to the Services provided by the Contractor hereunder, the Contractor shall provide to the Authorized Purchasing Entities as complete and

accurate an inventory as is reasonably practicable and such other information regarding such items as the Authorized Purchasing Entities reasonably requests and is necessary for Migration-Out of Services.

## **60. SUBCONTRACTORS**

As prime vendor, Contractor is responsible for overall service performance and requires the ability to manage its subcontractors as necessary to fulfill the overall service performance if and when a subcontractor is required.

As additional clarification, Contractor does not consider local exchange carriers to be Contractor's subcontractors and will not be responsible for the actions or inactions of access providers. In addition, Contractor does not consider subcontractor requirements set forth in this PA to be applicable to any agreements, subcontracts or other business arrangements between Contractor and its affiliates, roaming partners, suppliers, subcontractors or any third-parties relating to the provision of any Products or Services purchased or used by a customer (collectively, "General Supply & Support Agreements") where such General Supply and Support Agreements were entered into for the purpose of providing Products and Services to Contractor's customers generally (as opposed to specifically for the applicable Authorized Purchasing Entity).

## **61. SECURITY AND POLICIES**

Unless otherwise specified in the PA or Purchase Order:

At all times during the Term, in addition to any other requirements in the PA, at all times during the Term, the Contractor shall provide all Services, use all resources related thereto, and use, operate, support, and maintain any systems, in an appropriately secure and commercially reasonable manner ("**Security Policies**").

The Contractor shall at all times take all reasonably necessary and appropriate action with regard to the prevention, detection, and elimination, by all appropriate means, of fraud, abuse, and other inappropriate or unauthorized access to and use of systems and the networks involved with the provision or receipt of Services, including the implementation and deployment network management and maintenance applications and tools, the use of appropriate encryption technologies, and other security-related Services. In addition, with respect to the premises of the State and Authorized Purchasing Entities, all Contractor personnel (including personnel of any subcontractors) shall be subject to, and shall at all times conform to, all of the State or Authorized Purchasing Entities' policies, procedures, rules, and requirements regarding the protection of premises, materials, equipment, and personnel, as the State or Authorized Purchasing Entities shall provide (in writing or electronically) in advance to the Contractor. The

Contractor shall, and shall cause the Contractor personnel and subcontractors to, fully comply with and abide by all such Security Policies provided in advance to the Contractor at all times during the Term. Any violation or disregard of such Security Policies by an individual shall be cause for denial of access of such individual to the State or Authorized Purchasing Entities' property. The Contractor shall exercise due care and diligence to prevent any injury to person or damage to property while on the State or Authorized Purchasing Entities' premises. The operation of the Contractor vehicles or private vehicles of the Contractor personnel on the State or Authorized Purchasing Entities' property shall conform to posted and other regulations and safe driving practices. Vehicular accidents on the State or Authorized Purchasing Entities' property and involving the Contractor personnel shall be reported promptly to the appropriate State or Authorized Purchasing Entities' personnel. The Contractor shall, and shall cause the Contractor personnel and subcontractors, to not exceed (or attempt to exceed) the level of authorized access, if any, to any networks, computer or electronic data storage systems of the State or Authorized Purchasing Entities' that may be granted during the Term for purposes only of performing the Services hereunder.

#### **62. ELECTRONIC WASTE RECYCLING ACT OF 2003**

The Contractor certifies that it complies with the applicable requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code. The Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.

#### **63. USE TAX COLLECTION**

In accordance with PCC Section 10295.1, the Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. The Contractor further certifies that it will immediately advise the State and Authorized Purchasing Entities of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of PCC Section 10295.1.

#### **64. EXPATRIATE CORPORATIONS**

The Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of PCC Sections 10286 and 10286.1, and is eligible to contract with the State and Authorized Purchasing Entities.



**65. DOMESTIC PARTNERS**

For contracts over \$100,000, the Contractor certifies that the Contractor is in compliance with Public Contract Code Section 10295.3.

**66. PRIORITY HIRING**

For contracts including Services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.



**One-time Equipment Costs:**

Description	Qty	Retail	Discount	Your Cost	Est Tax 9% Zip code 92602	Est Total	Extended
iPhone 13 128GB -	300	\$729.99	(\$729.74)	\$0.25	\$65.70	\$65.95	\$19,785.00
<b>Estimated Total for One-time Costs</b>							<b>\$19,785.00</b>

**Monthly Service Fees option Unlimited Smartphone**

Description	Qty	Retail	Discount	Your Cost	Surcharges, Gov Taxes, Fees	Est Total	Extended
FirstNet Unlimited Smartphone voice/text/data, Mexico & Canada included	300	\$50.00	(\$15.01)	\$34.99	\$4.69	\$39.68	\$11,904.00
Monthly Credit Per Line (36 month term) *new activations & ports	300		(\$5.56)			(\$5.56)	(\$1,668.00)
<b>Estimated Total for Monthly Costs</b>						<b>\$34.12</b>	<b>\$10,236.00</b>

Above service subject to applicable tax, fees, or surcharges\*\*\*Estimated TAX\*\*\*

\*Monthly Service tax is not a fixed rate and depends on California State Government adjustments to administrative fees and taxes.

- 1) Priority Shipping Included at NO COST.
- 2) Staging & Kitting Included at NO COST.
- 4) No data throttling EVER on FirstNet
- 5) The ONLY FirstNet Network that dedicates 20 MHz BAND 14 spectrum to FirstNet Responders
- 6) Upgrade term: 36 months
- 7) Requires activation on the Unlimited Standard or Enhanced FirstNet Smartphone plan
- 8) Lines must be active to receive credits

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Orange County Fire Authority  
 FirstNet Naspo Proposal  
 October 17, 2023 Valid Through December 31, 2023



Orange County  
 Fire Authority

**One-time Equipment Costs:**

Description	Qty	Retail	Discount	Your Cost	Est Tax 9% Zip code 92602	Est Total	Extended
<b>Estimated Total for One-time Costs</b>							

**Monthly Service Fees option Unlimited DATA**

Description	Qty	Retail	Discount	Your Cost	Surcharges, Gov Taxes, Fees	Est Total	Extended
FirstNet Unlimited Data	150	\$50.00	(\$17.01)	\$32.99	\$4.69	\$37.68	\$5,652.00
Monthly Credit Per Line (36 month term) *new activations & ports	150		(\$2.08)			(\$2.08)	(\$312.00)
<b>Estimated Total for Monthly Costs</b>						\$35.60	<b>\$5,340.00</b>

Above service subject to applicable tax, fees, or surcharges\*\*\*Estimated TAX\*\*\*

\*Monthly Service tax is not a fixed rate and depends on California State Government adjustments to administrative fees and taxes.

- 1) Priority Shipping Included at NO COST.
- 2) Staging & Kitting Included at NO COST.
- 4) No data throttling EVER on FirstNet
- 5) The ONLY FirstNet Network that dedicates 20 MHz BAND 14 spectrum to FirstNet Responders
- 6) Upgrade term: 36 months
- 7) Requires activation on the Unlimited Data Plan
- 8) Lines must be active to receive credits

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Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
October 26, 2023

Agenda Item No. 2E  
Consent Calendar

**Agreement with Citygate Associates, LLC for  
Field Deployment Standards of Cover (SOC) Plan Update**

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**Contact(s) for Further Information**

TJ McGovern, Deputy Chief  
Emergency Operations Bureau

[tjmcgovern@ocfa.org](mailto:tjmcgovern@ocfa.org)

714.573.6006

Paul Whittaker, Division Chief  
Strategic Services

[paulwhittaker@ocfa.org](mailto:paulwhittaker@ocfa.org)

714.573.6047

**Summary**

This agenda item is submitted for approval to enter into a Sole Source Professional Services Agreement in an amount not to exceed \$70,731 with Citygate Associates, LLC (Citygate), to update OCFA's Field Deployment Standards of Cover (SOC) which was previously completed by Citygate in 2020. Citygate was previously selected as the top-ranked firm following a competitive Request for Qualifications (RFQ) process in 2018.

**Prior Board/Committee Action**

At its November 15, 2018 meeting, the Board of Directors approved and authorized the Purchasing Manager to sign the proposed Master Consultant Services Agreement for consulting services with Citygate Associates, LLC, for a three-year term, with two additional one-year renewal options.

**RECOMMENDED ACTION(S)**

Approve and Authorize the Purchasing Manager to enter into a Professional Services Agreement with Citygate Associates, LLC, utilizing the sole source procurement provision in the Purchasing Ordinance, to update the Standards of Cover Plan for an amount not to exceed \$70,731.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Funding for the recommended contract is available in the 2023/24 Adopted Budget.

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

**Background**

Following a 2018 RFQ process, Citygate was awarded a three-year term agreement, with two additional one-year options (not exercised), to perform as-needed organizational service level assessment (SLA) consulting services for OCFA. Citygate is a firm that provides management consulting to a full array of local government functions, with particular emphasis on fire protection, law enforcement, community development, public works, animal services, and human resources.

Seven organizational SLA areas were identified (Emergency Command Center, Emergency Medical Services, Fleet Services, Field Deployment SOC, Executive Leadership/Human Resources, Business Services, and Community Risk Reduction) as part of a two-phase process concluding in October 2021. Of the first SLAs to be completed was the Field Deployment SOC in June 2020.

The focus of the SOC completed in 2020 included reviewing the adequacy of the existing deployment system of apparatus and personnel from current OCFA fire station locations, testing deployment scenarios to improve coverage, and analyzing the workload per unit. Although the Field Deployment SOC was completed in 2020, the data used to compile the SLA is from calendar years 2016 through 2018. Since that time, there have been numerous impacts to OCFA's service that warrant updating the SOC.

First of the impacts to be included in the updated SOC Plan are changes to OCFA's jurisdiction. OCFA began contracting Fire and EMS services to the City of Garden Grove in August of 2019. Garden Grove represents 9 percent of OCFA's total annual call volume and shares city boundaries with 10 OCFA and non-OCFA jurisdictions. Additionally, in 2020 the City of Placentia discontinued contracting services with OCFA.

The COVID-19 pandemic resulted in another significant impact on OCFA services. Although OCFA was able to provide services above and beyond expectations, the pandemic's strain on the EMS system resulted in a direct trickle down effect to OCFA services. Staffing shortages in both hospitals and ambulance service providers, a lack of adequate hospital and Emergency Department beds, and an increase in system demand resulted in increased ambulance patient off-load times (APOT). There were less ambulances on the road than needed to service our customers along with increased APOTs significantly extended OCFA's committed time to incidents, not allowing them to return to service for the next call in an expedient manner. At this time, the prolonged effects of the pandemic seem to be an increased expectation and reliance on our EMS services resulting in increased call volume as compared to pre-pandemic numbers.

Given that Citygate's Master Consulting Agreement for SLAs falls outside of the last one-year extension window, and the need to update Field Deployment SOC using consistent methodology, staff recommends approval and authorization for the Purchasing Manager to enter into a Professional Services Agreement with Citygate utilizing the sole source procurement provision in the Purchasing Ordinance.

#### **Attachment(s)**

1. Citygate Proposal to Update OCFA's SOC
2. Sole Source Request Form



600 COOLIDGE DRIVE, SUITE 150 ▪ FOLSOM, CA 95630 ▪ PH (916) 458-5100 ▪ FX (916) 983-2090

October 19, 2023

TJ McGovern  
Deputy Chief of Emergency Operations  
Orange County Fire Authority  
[tjmcgovern@ocfa.org](mailto:tjmcgovern@ocfa.org)

**RE: PROPOSAL TO UPDATE THE ORANGE COUNTY FIRE AUTHORITY'S STANDARDS OF RESPONSE COVER PLAN**

Dear Chief McGovern:

Citygate Associates, LLC (Citygate) is pleased to assist the Orange County Fire Authority (Authority) as requested to update its Standard of Response Cover Plan. We will use incident statistics and geographic mapping working with Authority staff to model the needs of the current deployment plan, update the risk assessment to include any major changes, identify options to improve deployment, and prepare and present a comprehensive report.

#### **PROJECT APPROACH AND PROPOSED WORK PLAN**

Citygate's approach to this project will be consistent with our Project Team members' experience in large system Standards of Cover assessments, recently including the City of Los Angeles and the cities of Fort Worth, Texas, and Portland, Oregon. Our proposed project Work Plan incorporates four tasks over no more than a six-month project timeline as follows.

### **Task 1: Initiate and Manage the Project, Data/Information Collection**

#### **1.1 Obtain and Review Background Data and Information**

- ◆ At the start of the project, we will develop and submit a list of requested data and information, including electronic incident data, agency deployment changes since the last SOC, and any pertinent agency growth challenges.
- ◆ We will conduct an on-site start up meeting and listen to key leadership to understand the background material provided and the latest challenges facing the Authority.

## 1.2 Ongoing Project Management

- ◆ Throughout the entire project, we will monitor engagement progress and completion of tasks, including providing monthly status reports and verbal communications, as needed.

### Task Duration

The project management portions of this task, including providing monthly status reports, will span the entire duration of the project.

### Meetings and Deliverables

- ◆ A final project Work Plan, schedule, and background data/information request.
- ◆ One on-site meeting day.
- ◆ Monthly reports detailing the project status as well as any project cost or schedule concerns.

## Task 2: Analysis

### 2.1 Analysis

To conduct the analysis portion of this project, Citygate will:

- ◆ Prepare an independent incident data performance model and report.
- ◆ Coach Authority GIS staff to prepare the needed coverage and historical demand for service maps.
- ◆ Update the prior risk assessment to significant changes.

### Task Duration

This task will commence upon completion of Task 1 and will take approximately eight weeks to complete.

### Meetings and Deliverables

- ◆ The analysis, findings, and recommendations from this task will be incorporated into the mid-project briefing in Task 3.

### **Task 3: Mid-Project Initial Findings Briefing**

#### **3.1 Mid-Project Briefing**

- ◆ Prepare briefing materials, exhibits, and initial findings.
- ◆ Conduct an on-site briefing with Authority leadership.
- ◆ Identify any further research for Citygate to conduct, if needed.

#### **Task Duration**

This task will commence upon completion of Task 2 and will take approximately four weeks to complete.

#### **Meetings and Deliverables**

- ◆ One on-site briefing with exhibits to describe the draft analysis results and emerging recommendations.

### **Task 4: Draft and Final Report**

#### **4.1 Prepare Administrative-Level Draft Report**

- ◆ The Citygate Project Team will prepare and submit a Draft Report to include exhibits as appropriate. Upon completion, an electronic version in Microsoft Word will be transmitted to the Authority's project representative for comments using the "track changes" and "insert comment" tools of Microsoft Word.

#### **4.2 Draft Report Review**

- ◆ We will conduct a videoconference review of the Draft Report, answer any questions, and agree on the elements for the Final Report.

#### **4.3 Prepare and Submit Final Report**

- ◆ Based on results of the review process, our Project Team will make any agreed-upon edits and prepare and deliver Final Reports in PDF format, to include exhibits. Citygate will also deliver an on-site presentation of the report in PowerPoint format to an audience of the Authority's choosing if so requested.

#### **Task Duration**

This task will commence upon completion of Task 4 and will take approximately four to six weeks to complete.



## Meetings and Deliverables

- ◆ A Draft Report with exhibits.
- ◆ A videoconference review of the Draft Report with the Authority’s project team.
- ◆ A Final Report with exhibits provided digitally.
- ◆ One on-site presentation of the Final Report, if so requested.

## STUDY COMPONENTS WITH WHICH THE AUTHORITY MUST ASSIST

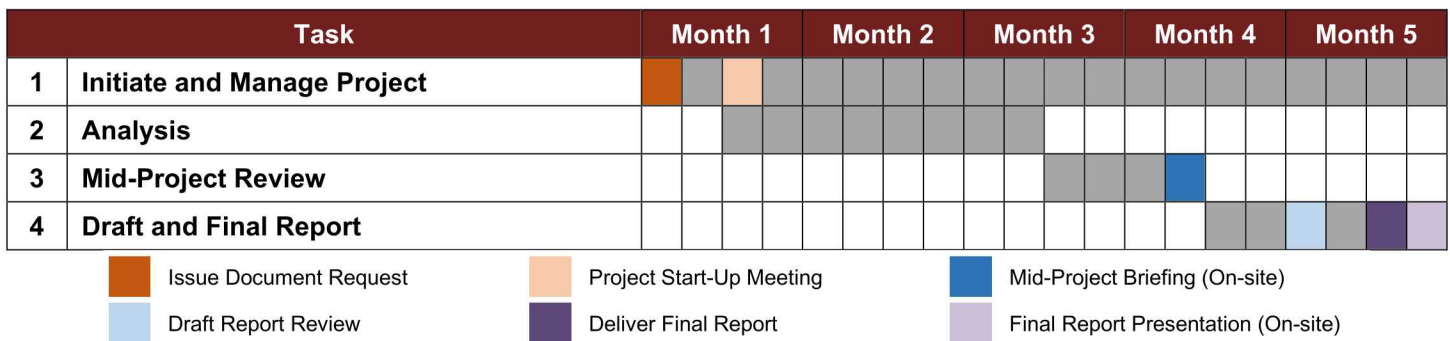
Both Citygate and the Authority understand that the Authority has the best ability to provide the required data to assist Citygate with this study. Therefore, the Authority will assist Citygate by:

- ◆ Providing electronic data as needed and other prior analysis, summary data, and documents describing the Authority’s deployment of resources.
- ◆ Identifying a single point of contact for this project.

## PROJECT TIMELINE

Citygate is available to start this engagement immediately, and we expect this study to take approximately five to six months to complete, as shown in the following proposed project schedule.

### Proposed Project Schedule



## CITYGATE PROJECT TEAM / ROLES

Citygate will use the following key staff members at our 2023 billing rates and terms as listed below.

***Chief Stewart Gary, MPA, Public Safety Principal & Project Director***



Chief Gary is the Public Safety Principal for Citygate Associates. Chief Gary is the retired Fire Chief of the Livermore-Pleasanton Fire Department in Alameda County, California. For fourteen years, he was a lead instructor, program content developer, and consultant for the Fire/EMS Standards of Response Coverage process. Over the last 22 years, he has performed over 400 organizational and deployment studies for agencies ranging in size from San Diego County and City of San Diego to San Jose, the Sacramento Metropolitan Fire District, Portland, Fort Worth, and Los Angeles County.

Chief Gary was certified as an EMT in 1972 and a paramedic in 1976, has managed Fire/ALS programs in both San Diego and Alameda Counties, implemented Fire ALS in the City of Livermore in 1995, has sat on ambulance contractor selection boards, and knows well the challenges and opportunities ahead for EMS delivery. All his large clients have made use of his EMS insights.

*Chief Gary will be the Project Director, the main point of contact and liaison for Authority staff, contribute to the analysis in all tasks, co-author the reports, and present all briefings.*

***Chief Samuel Mazza, CFC, CFO, EFO, Senior Fire Services Specialist***



Chief Mazza is a Senior Fire and Emergency Services Specialist with over 40 years of fire service experience. He is the retired Fire Chief of the City of Monterey, California, where he oversaw a successful consolidation of fire services with the City of Pacific Grove. Prior to his service with Monterey, Chief Mazza spent over 30 years with CAL FIRE in numerous assignments spanning state, county, and fire and special district services. He has extensive collaborative and command experience, including appointment as the Incident Commander on a statewide Incident Management Team, and he continues to

serve as a member of the Monterey County Emergency Operations Center staff. Chief Mazza is also a California state Certified Fire Chief, CPSE Chief Fire Officer, Executive Fire Officer, and National Fire Academy instructor. Chief Mazza has led many deployment and master planning projects.

*Chief Mazza will perform the high-level risk assessment update.*

***Michael Fay (Animated Data), Statistical Specialist***



Mr. Fay has assisted Citygate with deployment studies for over 20 years. He has over 30 years' experience as a firefighter, EMS director, educator, consultant, and publisher. As President of Animated Data, Inc., he is the designer and publisher of StatsFD™, formerly NFIRS 5 Alive. Using standard NFIRS 5 datasets, StatsFD™ quickly performs diagnostic analyses of fire department operations.

*Mr. Fay will prepare an independent incident data performance model and report.*

***BERK Consulting, Inc., Geo-Mapping Specialist***



BERK Consulting, Inc. is a Seattle-based Citygate partner also passionate about helping public agencies address complex challenges and position themselves for success. BERK provides advanced data analytics and Geographic Information Systems (GIS) mapping support for Citygate.

*BERK Consulting will provide the GIS coaching to Authority staff on how to prepare Effective Response Force maps.*

***David DeRoos, MPA, CMC, Citygate President***



Mr. DeRoos has 30 years of experience as a consultant to local government, preceded by five years as an assistant to the City Administrator. He earned his undergraduate degree in Political Science/Public Service (Phi Beta Kappa) from the University of California, Davis, and he holds a Master of Public Administration degree from the University of Southern California. Prior to becoming a Principal in Citygate in 1991, he was a Senior Manager in the local government consulting division of Ernst & Young.

*As President, Mr. DeRoos is responsible for ensuring that the project is conducted smoothly and efficiently within the schedule and budget allocated and that all work products meet Citygate's and the client's standard of quality.*

**PROJECT COSTS**

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Our charges are based on **actual time** spent by our consultants at their established billing rates, plus reimbursable expenses incurred in conjunction with travel, printing, clerical, and support services related to the engagement. The work be conducted at our time and material rates below. If the work is straightforward and can be performed quickly, the Authority will pay far less. If the work ends up more involved, the total project cost will not exceed the total Citygate project amount below.

Project Team Consulting Fees	Administration (7.5% of Hourly Fees)	Reimbursable Expenses	Total Citygate Project Amount
\$63,440	\$4,758	\$2,533	<b>\$70,731</b>

### Hourly Rates and Estimated Cost

Classification	Rate	Consultant
Citygate President	\$260 per hour	David DeRoos
Public Safety Principal and Project Director	\$260 per hour	Stewart Gary
Senior Fire Services Specialist	\$250 per hour	Samuel Mazza
Statistical Specialist	\$195 per hour	Michael Fay
Geo-Mapping Specialist	\$215 per hour	BERK Consulting
Report Project Administrator	\$140 per hour	Various
Administrative Support	\$100 per hour	Various

This cost proposal reflects our best effort to be responsive to the Authority’s needs for this project. If our proposed scope of work and costs are not in alignment with the Authority’s needs or expectations, we are open to discussing modifications.

The price quoted is effective for 60 days and includes one Draft Report review cycle. Additional draft cycles or processing delays requested by the Authority would be billed in addition to the contracted amount at our time and materials rates.

### Billing Schedule

We will invoice monthly for time, reimbursable expenses incurred at actual costs, plus a seven-and-a-half percent (7.5%) administration charge in lieu of individual charges for copies, phone, etc. Our invoices are payable within thirty (30) days. Citygate’s billing terms are net thirty (30) days plus two percent (2%) for day thirty-one (31) and two percent (2%) per month thereafter. Our practice is to send both our monthly status report and invoice electronically. If we are selected for this project, we will request the email for the appropriate recipients of the electronic documents. Hard copies of these documents will be provided only upon request. We prefer to receive payment through ACH Transfer, if available.

We request that ten percent (10%) of the project cost be advanced at the execution of the contract, to be used to offset our start-up costs. This advance would be credited to our last invoice.

\* \* \*

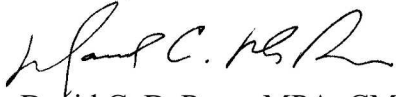
As President of the firm, I am authorized to execute a binding contract on behalf of Citygate. For questions concerning this proposal, please contact Stewart Gary, Citygate’s Public Safety

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Chief McGovern  
October 19, 2023  
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Principal, at (916) 458-5100, extension 305 or via email at [sgary@citygateassociates.com](mailto:sgary@citygateassociates.com). Please also send emails to [admin@citygateassociates.com](mailto:admin@citygateassociates.com) to ensure a prompt response.

Sincerely,



David C. DeRoos, MPA, CMC  
President

cc: Stewart Gary

## OCFA Sole Source Request Form

*The Purchasing Ordinance of the Orange County Fire Authority requires competitive bids and proposals for service and commodity contracts. A sole source is defined as a product or service that is available from only one known supplier as a result of unique performance capabilities, manufacturing processes, compatibility requirements or market conditions. The using department requesting a sole source shall provide written clear and convincing evidence to support a sole source determination, meaning that only one source exists to fulfill the requirements. This form is to be submitted with the purchase requisition to Purchasing with any sole source requests.*

### SECTION I - INSTRUCTIONS

1. Written justification on this form will be completed by the requesting department and submitted with the purchase requisition.
2. The request must be approved by the section manager and assistant chief prior to submitting the request to the purchasing manager.
3. All sole source forms must be submitted to the Purchasing Manager for approval. Based on the new ordinance the Fire Chief is not required to approve the sole source form. The sole source request may be submitted to Assistant Chief of Business Services by the Purchasing Manager for concurrence as required.
4. All sole source contracts exceeding \$50,000 (life of contract) require Executive Committee approval. In this case, the sole source request form must be submitted to the Executive Committee as an attachment to the staff report.
5. The approved sole source justification form will be included in the contract file.

### SECTION II – REQUEST INFORMATION

<b>Department/Section:</b> Operations/Strategic Services	<b>Requested By:</b> P. Whittaker	<b>Date:</b> 9/25/23
<b>Recommended Vendor:</b> Citygate Associates, LLC	<b>Vendor Contact:</b> (916)458-5100 ext. 305	<b>Vendor's E-mail Address:</b> sgary@citygateassociates.com
<b>Vendor Address:</b> 600 Coolidge Drive Ste 150, Folsom, CA 95630		<b>Vendor's Telephone #:</b>
<b>Type of Contract:</b> <input checked="" type="checkbox"/> One-time <input type="checkbox"/> Multi-Year <input type="checkbox"/> Renewal <input type="checkbox"/> Amendment <input type="checkbox"/> Increase	<b>Contract Term (Dates):</b> 11/1/23 - 10/31/24	<b>Contract Amount:</b> \$70,731
<b>If the contract type is a Renewal, Amendment or Increase, please provide previous contract information with this request (PO, BO, previous approval date, Chief approval or EC approval, and dollar amount).</b>		<b>Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### SECTION III – JUSTIFICATION

1. **Provide a detailed description of the product or service requested. Describe what it is. Attach additional sheet if necessary.**

OCFA is requesting that an updated Field Deployment Standard of Coverage (SOC) is completed. The previous SOC is based off of data that is five years old and does not include significant impacts that the field deployment has faced due to the COVID pandemic and jurisdictional changes amongst others.

2. **Please state why the recommended vendor is the only one capable of providing the required services and/or commodities. Provide a summary of findings (research and analysis) including any supporting documentation which validates your recommendation (e.g., attach a manufacturer's letter verifying patented design and direct sale with no distributors) and demonstrates the sole source nature of this request. Attach additional sheet if necessary.**

Citygate Associates, LLC was the awarded consultant following a competitive RFQ process in 2018 and subsequently completed OCFA's last SOC in 2020 as part of a larger Service Level Assessment (SLA) project. Citygate is uniquely qualified for this project due to their completion of the last SOC, and it is imperative that a consistent methodology is

**SECTION III – JUSTIFICATION (continued)**

used when drafting the SOC so that OCFA staff can act on reliable data comparisons to make adjustments to field deployment that are in the best interest of the communities we serve.


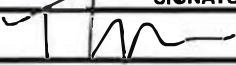
**3. Pricing - What efforts were made to get the best pricing (e.g., did you simply request a quote, negotiate with the vendor, did the vendor provide a discount)? Please provide the quote with your sole source request.**

OCFA requested a quote from the vendor that was to take into account that this was an update, and that it is expected that there is a level of work required that has already been completed.

**4. Will this purchase obligate the OCFA to future purchases (maintenance, licensing or continuing needs)? (If yes, please explain how and what the future costs will be.)**

No.

**Sole Source Request Submitted by:**

REQUESTORS NAME	SIGNATURE	DATE
DIVISION CHIEF/SECTION MANAGER NAME	SIGNATURE	DATE
Paul Whittaker		10/18/23
ASSISTANT CHIEF NAME	SIGNATURE	DATE
TJ McGovern		

**Purchasing Manager's Comments:** Staff requested further pricing consideration from Citygate given the amount of work completed during the prior SOC. Citygate agreed to cap the maximum amount at \$70,731. Based on the classifications utilized for the SOC update, the average hourly rates are lower than when the SOC was originally completed in 2018.

PURCHASING MANAGER'S APPROVAL	DATE
	10/19/23
ASSISTANT CHIEF BUSINESS SERVICES CONCURRENCE	DATE
	10/19/23

Executive Committee Approval Required  Yes  No Sole Source over \$50,000

Executive Committee Approved:  Yes,  No Date approved \_\_\_\_\_