



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Meeting

Wednesday, April 13, 2016

12:00 Noon

Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Jerry McCloskey, Chair

Beth Swift, Vice Chair

Gene Hernandez Al Murray Tri Ta Ed Sachs

Bruce Channing - Ex Officio

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 Budget and Finance Committee after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact Sherry A.F. Wentz, Clerk of the Authority, at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>

If you wish to speak before the Budget and Finance Committee, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority. Speaker Forms are available on the counter noted in the meeting room.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Hernandez

ROLL CALL

PUBLIC COMMENTS

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

2. MINUTES

A. Minutes for the March 9, 2016, Budget and Finance Committee Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR

A. Quarterly Status Update Orange County Employees' Retirement System

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Receive and file the report.

B. Quarterly Purchasing Report

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of April 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

4. DISCUSSION CALENDAR

A. Monthly Investment Reports

Submitted by: Tricia Jakubiak, Treasurer

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of April 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Communication with Auditors for FY 2015/16 Financial Audit

Submitted by: Jim Ruane, Finance Manager/Auditor/Business Services Department

Recommended Action:

Receive and file the report.

C. Proposed New Purchasing Ordinance – Introduction

Submitted by: Lori Zeller, Assistant Chief/Business Services Department

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of April 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Waive the full reading of the proposed Ordinance.
2. Introduce proposed Ordinance No. 008 entitled AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY REPEALING ORDINANCE NO. 006 AND ORDINANCE NO. 007 AND ESTABLISHING THE PURCHASING RULES AND PROCEDURES OF THE ORANGE COUNTY FIRE AUTHORITY establishing a comprehensive procurement ordinance based on the American Bar Association Model Procurement Code.
3. Approve the proposed Resolution entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS AMENDING THE ROLES/RESPONSIBILITIES/AUTHORITIES MATRIX TO COINCIDE WITH THE NEW PURCHASING CODE.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, May 11, 2016, at 12:00 noon.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby, front gate public display case, and website of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 7th day of April 2016.

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

UPCOMING MEETINGS:

Claims Settlement Committee Meeting	Thursday, April 28, 2016, 5:00 p.m.
Executive Committee Meeting	Thursday, April 28, 2016, 5:30 p.m.
Board of Directors Meeting	Thursday, April 28, 2016, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting

March 9, 2016

12:00 Noon

Regional Fire Operations and Training Center

Room AE117

1 Fire Authority Road

Irvine, CA 92602

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Budget and Finance Committee was called to order on March 9, 2016, at 12:00 p.m. by Chair McCloskey.

PLEDGE OF ALLEGIANCE

Director Murray led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present:

Al Murray, Tustin
Jerry McCloskey, Laguna Niguel
Elizabeth Swift, Buena Park
Tri Ta, Westminster

Absent:

Gene Hernandez, Yorba Linda
Ed Sachs, Mission Viejo

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Smith
Assistant Chief Mike Schroeder
Communications Director Sandy Cooney
General Counsel Dave Kendig

Assistant Chief Lori Zeller
Assistant Chief Dave Thomas
Assistant Chief Brian Young
Clerk of the Authority Sherry Wentz
Ex-Officio Bruce Channing

1. PRESENTATIONS

No items.

PUBLIC COMMENTS (F: 12.02B3)

Chair McCloskey opened the Public Comments portion of the meeting.

Stephen Wontrobski, Mission Viejo resident, spoke regarding the need to reform the OCFA EMS model.

Chair McCloskey closed the Public Comments portion of the meeting.

2. MINUTES

A. Minutes for the January 13, 2016, Budget and Finance Committee Meeting

(F: 12.02B2)

On motion of Director Ta and second by Vice Chair Swift, the Committee voted unanimously by those present to approve the Minutes for the January 13, 2016, Budget and Finance Committee meeting, as submitted.

3. CONSENT CALENDAR

A. FY 2015/16 Mid-Year Budget Adjustment (F: 15.04 FY15/16)

On motion of Director Murray and second by Director Ta, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting of March 24, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors authorize the proposed mid-year budget adjustments.

B. Status Update – Orange County Employees' Retirement System (F: 15.07)

Stephen Wontrobski, Mission Viejo resident, expressed concerns with the Unfunded Actuarial Accrued Liability.

On motion of Vice Chair Swift and second by Director Murray, the Committee voted unanimously by those present to receive and file the report.

Minutes

OCFA Budget and Finance Meeting

March 9, 2016 Page - 2

4. DISCUSSION CALENDAR

A. Monthly Investment Reports (F: 11.10D2)

Treasurer Tricia Jakubiak provided an overview of the Monthly Investment Reports.

On motion of Director Murray and second by Vice Chair Swift, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of March 24, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Proposed New Purchasing Ordinance – Introduction (F: 11.10H)

This item was pulled by staff to be considered at a future meeting.

C. Proposed Change in Service Configuration Cities of Placentia & Yorba Linda (F: 18.13)

Assistant Chief Brian Young provided a PowerPoint presentation regarding the Proposed Change in Service Configuration for the Cities of Placentia and Yorba Linda.

On motion of Vice Chair Swift and second by Director Ta, the Committee voted to direct staff to place the item on the agenda for the Board of Directors meeting of March 24, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors approve the proposed change in service configurations with the cities of Placentia and Yorba Linda and corresponding reductions to the City of Placentia's contract service charge.

REPORTS (F: 12.02B6)

There were no items to report.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

Director Murray commended staff on the recent tour of OCFA facilities for the Association of California Cities, Orange County Division.

Chair McCloskey spoke of the recent presentation regarding the Phase One Service Delivery Enhancements.

ADJOURNMENT – Chair McCloskey adjourned the meeting at 1:38 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, April 13, 2016, at 12:00 noon.

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



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
April 13, 2016

Agenda Item No. 3A
Consent Calendar

Quarterly Status Update
Orange County Employees' Retirement System

Contact(s) for Further Information

Lori Zeller, Assistant Chief lorizeller@ocfa.org 714.573.6020
Business Services Department

Tricia Jakubiak, Treasurer triciajakubiak@ocfa.org 714.573.6301
Treasury & Financial Planning

Summary

This agenda item is a routine quarterly transmittal to the Committee to provide a report on actions taken by the Orange County Employees' Retirement System's (OCERS) relating to financial issues, procedures, and business practices.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

Actions Taken/Financial Policies & Practices February - March 2016

On March 4, 2016, OCERS notified Plan Sponsors that it had detected several attempts to electronically impersonate members in an effort to defraud those members of their retirement benefits. While no funds had been diverted, in an abundance of caution, OCERS provided a warning to its members (Attachment). The notice was posted on the OCERS website and also mailed to all 41,000+ OCERS members.

OCERS Investment Returns

OCERS is on a calendar year basis and ended 2015 with a return of .1%. The February 2016 year-to-date return is 3.78 %.

OCFA staff will continue to monitor actions taken by OCERS and will report back in July regarding actions taken during the next quarter.

Attachment(s)

OCERS Security Notice dated March 4, 2016

March 4, 2016

IMPORTANT MESSAGE TO OUR MEMBERS

OCERS' mission is to provide secure retirement and disability benefits with the highest standards of excellence. As part of that mission, we are mindful that all Americans stand at risk of identity theft.

ATTEMPTS TO DIVERT FUNDS DETECTED AND THWARTED

To protect our members, OCERS maintains controls designed to protect against unauthorized access to member accounts. In the past two weeks, through our internal controls, OCERS detected several electronic attempts by unknown third parties to impersonate members. Using the same sort of sensitive personal information that has been compromised in hundreds of reported breaches over the past decade these criminals created and accessed the accounts without authorization.

OCERS detected these attempts and directly notified the members in question. No funds were diverted. In an abundance of caution, we reported the attempts to the Orange County Sheriff's Department as well as to the FBI for investigation.

Be assured our efforts to protect all of our members will continue.

OCERS IS TAKING ADDITIONAL ACTION

We are confirming by phone or letter all electronic deposit and other material changes that are made via the myOCERS portal. Additionally, OCERS is hiring a cybersecurity expert to help us determine what additional controls could be added to the OCERS system to be even more effective in protecting our data.

WHAT YOU CAN DO TO HELP

We encourage you to go to your myOCERS account and verify your information. If you have not set up an account on the new myOCERS portal please register and set up your new User Name, Password and security questions. Even if you never use your myOCERS account, by setting it up yourself with your own private identifiers you can prevent anyone else from impersonating you online.

OCERS will never call or email you to ask for your confidential information. Do not give out your private information over the phone or by email unless you verify the identity of the other party.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
April 13, 2016

Agenda Item No. 3B
Consent Calendar

Quarterly Purchasing Report

Contact(s) for Further Information

Lori Zeller, Assistant Chief
Business Services Department

lorizeller@ocfa.org

714.573.6020

Debbie Casper, Purchasing & Materials Manager

debbiecasper@ocfa.org

714.573.6641

Summary

This agenda item is a routine quarterly report to summarize contract amendments issued within the dollar limits delegated to management.

Prior Board/Committee Action(s)

Not Applicable.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of April 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

Attached is the Quarterly Purchasing Report summarizing contract amendments issued within the dollar limits delegated to management. The list includes the changes made within the period of January to March 2016.

There were eight contract amendments processed during the past quarter, and a total of 33 contract amendments during the past year, when staff began preparing the quarterly contract amendment reporting. If the recommended changes to the Roles/Responsibilities/Authorities matrix that are proposed in a separate agenda item for this same meeting are approved, then all of these changes summarized on the attached report would be within management authority and no further action in reporting these changes would be required.

Attachment(s)

Quarterly Purchasing Report – January-March 2016

Orange County Fire Authority
Quarterly Purchasing Report
January – March 2016

	Vendor, Contract Term, Section & Date of Change	Commodity or Service	Original Value, Change Amount & Revised Value	% Change	Additional Comments
1	Sweinhart P0000137 One Time PO 11/19/15 <i>Property Management 1/7/16</i>	Rental of emergency generator at RFOTC <i>Service - Emergency Current contractor for generator maintenance Bid MD1890</i>	\$14,226.18 <u>+6,554.16</u> \$20,780.34	46%	The emergency generator that operates the ECC failed and required repairs. The generator rented while repairing the emergency generator at RFOTC was needed longer than originally anticipated.
2	HB Diesel P0009181 One Time PO 12/22/15 <i>Fleet Services 1/14/16</i>	Vehicle Repair, Unit #4112 <i>Service – Vehicle Repair Below small dollar purchase threshold</i>	\$1,206.50 <u>+1,502.45</u> \$2,708.95	87%	Unit 4112 was taken in for replacement of EGR, fan clutch. After diagnostics were run, additional repair needs were found requiring additional parts and labor resulting in a higher cost to repair the vehicle.
3	Linegear B01515-1 6/1/15 – 5/31/16 <i>Service Center 1/14/16</i>	Wildland Boot White Hathorn Smoke Jumper Boots <i>Commodity contract Bid RO1936</i>	\$30,000 <u>+17,000</u> \$47,000	57%	Additional funding was required to purchase boots for two academies and the reserves (approximately 120 pairs of boots). The contract is a result of a competitive bid process and the price remained \$230/pair.
4	Avalox Technology P0009142 One Time PO 11/23/15 <i>Air Operations 1/22/16</i>	DVR Repair on Helicopter <i>Below small dollar purchase threshold</i>	\$404 <u>+2,083.14</u> \$2,487.14	119%	The initial PO was issued for inspection of a failed part. It was determined that a new DVR driver board was required and the old unit could not be fixed. The part was \$2,017.72 + tax.
5	P.T.I. Sand and Gravel B016229 10/8/15-11/9/16 <i>Comm. Risk Reduction 1/17/16</i>	Fill Sand for Sand Bags <i>Commodity contract County of Orange Contract – Cooperative pricing</i>	\$10,000 <u>+40,000</u> \$50,000	400%	In preparation of El Nino, the department requested an increase to the blanket order to allow for the additional purchase of sand as needed. Price per ton of delivered sand remained the same at \$14.48 w/tax per ton - based on utilizing the County of Orange Public Works MA-080-120195 cooperative price agreement.

6	Poly-Corr Industries B01628 10/2/15-10/31/16 <i>Service Center</i> <i>1/12/16</i>	Empty Sand Bags <i>Commodity contract</i> <i>Bid SC2078</i>	\$16,000 <u>+34,000</u> \$50,000	213%	In preparation of El Nino and in an effort to meet the stations request for sand bags, Service Center requested an increase to the blanket order for the purchase of additional empty sand bags. This contract is a result of a competitive bid SC2078, the cost per sand bag remained the same at \$0.128 per bag.
7	Allstar B01579 3/3/15 – 3/31/16 <i>Service Center</i> <i>3/2/16</i>	Station Boot Haix Fire Hunter Extreme Boots <i>Commodity contract</i> <i>Bid RO2007</i>	\$30,000 <u>+7,000</u> \$37,000	23%	This contract was established as a result of a competitive bid in an effort to add an additional boot style to the current station boot compliment. More replacements were ordered than anticipated. Price per boot remains the same at \$274.50/pair.
8	Motorola B01381-4 5/22/15 – 5/21/16 <i>Info. Technology</i> <i>3/9/16</i>	Communication Equipment Parts and Accessories <i>Commodity contract</i> <i>County of Orange</i> <i>Contract – Cooperative</i> <i>pricing</i>	\$30,000 <u>+ 15,000</u> \$45,000	50%	This blanket order contract was established for the purchase of communication equipment parts, accessories and batteries based on pricing from the County of Orange Master agreement #MA060-15011560 for the countywide 800 MHz. The current price book is good through May 20, 2020. An increase was required to cover a purchase for speaker microphones that was paid against the blanket order.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
April 13, 2016

Agenda Item No. 4A
Discussion Calendar

Monthly Investment Reports

Contact(s) for Further Information

Tricia Jakubiak, Treasurer Treasury & Financial Planning	triciajakubiak@ocfa.org	714.573.6301
Jane Wong, Assistant Treasurer	jane Wong@ocfa.org	714.573.6305

Summary

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

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of April 28, 2016, with the Budget and Finance Committee's recommendation that the Executive Committee 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 February 29, 2016. A preliminary investment report as of March 18, 2016, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – February 2016/Preliminary Report – March 2016

Orange County Fire Authority Monthly Investment Report



Final Report – February 2016

Preliminary Report – March 2016



Monthly Investment Report Table of Contents

<i>Final Investment Report – February 29, 2016.....</i>	<i>1</i>
<i>Executive Summary.....</i>	<i>2</i>
<i>Benchmark Comparison.....</i>	<i>3</i>
<i>Portfolio Size, Yield, & Duration.....</i>	<i>3</i>
<i>Portfolio Summary.....</i>	<i>4</i>
<i>Portfolio Details.....</i>	<i>5</i>
<i>Aging Report.....</i>	<i>8</i>
<i>Notes to Portfolio Management Report.....</i>	<i>9</i>
<i>Local Agency Investment Fund.....</i>	<i>10</i>
 <i>Preliminary Investment Report – March 18, 2016</i>	<i>12</i>
<i>Portfolio Summary.....</i>	<i>13</i>
<i>Portfolio Details.....</i>	<i>14</i>
<i>Aging Report.....</i>	<i>17</i>
<i>Notes to Portfolio Management Report.....</i>	<i>18</i>
 <i>Glossary.....</i>	<i>19</i>



Orange County Fire Authority

Final Investment Report

February 29, 2016



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of February 2016, the size of the portfolio decreased further by \$10.3 million to \$166.2 million. Significant receipts for the month included cash contract payments, apportionments of property taxes, intergovernmental contract and grant payments, and other charges for current services totaling \$12.6 million. Significant disbursements for the month included primarily two biweekly payrolls, which were approximately \$11.0 million each with related benefits. Total February cash outflows for operating expenditures amounted to approximately \$24.3 million. The portfolio's balance is expected to stay about the same in the following month.

In February, the portfolio's yield to maturity (365-day equivalent) increased by 3 basis points to 0.61% while the effective rate of return rose by 8 basis points to 0.60% for the month and by 2 basis points to 0.40% for the fiscal year-to-date. The average maturity of the portfolio shortened by 3 days to 224 days to maturity.

Economic News

U.S. economic activity was mixed in February 2016. On the upside, employment conditions beat expectations in February; there were a total of 242,000 new jobs created for the month, a much stronger number than expected. In addition, the unemployment rate remained unchanged at 4.9%. On the other hand, retail sales decreased in February and January's retail sales were adjusted to show a decline in sales instead of an increase as previously reported for the month. Consumer confidence stayed mixed in February. Manufacturing activity edged up slightly while the non-manufacturing stayed about unchanged for the month. The CPI (Consumer Price Index) dropped as oil prices continued to persist at low levels. Existing home sales declined noticeably while new home sales posted an increase. On March 16, 2016, at the second day of the Federal Open Market Committee's scheduled meeting, the Committee voted to keep the federal funds rate unchanged at a target range of 0.25% - 0.50%. The Committee also slightly downgraded its outlook on the economy. Based on the Committee members' quarterly projections, current expectations are that the overnight lending rate will likely be raised by two quarter-point increases by the end of 2016.



BENCHMARK COMPARISON AS OF FEBRUARY 29, 2016

3 Month T-Bill: 0.31%

1 Year T-Bill: 0.53%

6 Month T-Bill: 0.45%

LAIF: 0.47%

OCFA Portfolio: 0.60%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$166,188,999	\$176,489,384	\$156,514,261
Yield to Maturity (365 day)	0.61%	0.58%	0.29%
Effective Rate of Return	0.60%	0.52%	0.30%
Days to Maturity	224	227	151



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
February 29, 2016

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

(See Note 1 on page 9)

(See Note 2 on page 9)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	3,931,236.43	3,931,236.43	3,931,236.43	2.40	1	1	0.001	0.001
Federal Agency Coupon Securities	38,000,000.00	38,000,210.00	37,984,284.68	23.17	1,020	832	1.097	1.112
Federal Agency Disc. -Amortizing	62,000,000.00	61,962,400.00	61,947,837.08	37.79	140	62	0.460	0.466
Treasury Coupon Securities	10,000,000.00	10,034,800.00	10,032,128.91	6.12	195	121	0.523	0.530
Local Agency Investment Funds	50,046,284.49	50,005,595.01	50,046,284.49	30.53	1	1	0.461	0.467
Investments	163,977,520.92	163,934,241.44	163,941,771.59	100.00%	301	224	0.600	0.609
<hr/>								
Cash								
Passbook/Checking (not included in yield calculations)	2,266,663.37	2,266,663.37	2,266,663.37		1	1	0.000	0.000
Total Cash and Investments	166,244,184.29	166,200,904.81	166,208,434.96		301	224	0.600	0.609

Total Earnings	February 29 Month Ending	Fiscal Year To Date
Current Year	81,997.58	454,657.10
Average Daily Balance	170,982,661.12	168,930,409.87
Effective Rate of Return	0.60%	0.40%

"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, 2015. 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

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)

\$ 166,208,434.96

GASB 31 Adjustment to Books (See Note 3 on page 9)

\$ (19,436.11)

Total

\$ 166,188,998.85

ORANGE COUNTY FIRE AUTHORITY

Portfolio Management

Portfolio Details - Investments

February 29, 2016

(See Note 1 on page 9)

(See Note 2 on page 9)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	High Mark 100% US Treasury MMF			3,931,236.43	3,931,236.43	3,931,236.43	0.001	0.001	1	
		Subtotal and Average	7,565,915.18		3,931,236.43	3,931,236.43	3,931,236.43		0.001	1	
Federal Agency Coupon Securities											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,720.00	9,000,000.00	0.990	0.998	692	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank(Callable anytime)		10/15/2015	10,000,000.00	9,974,000.00	10,000,000.00	1.100	1.054	958	10/15/2018
3134G7FK2	863	Fed Home Loan Mtg Corp		06/30/2015	9,000,000.00	9,021,690.00	9,000,000.00	1.100	1.065	752	03/23/2018
3134G84A4	878	Fed Home Loan Mtg Corp(Callable 5-24-16)		12/18/2015	10,000,000.00	10,003,800.00	9,984,284.68	1.250	1.315	906	08/24/2018
		Subtotal and Average	37,984,021.31		38,000,000.00	38,000,210.00	37,984,284.68		1.112	832	
Federal Agency Disc. -Amortizing											
313396WM1	880	Freddie Mac		12/18/2015	9,000,000.00	8,994,240.00	8,991,750.00	0.500	0.515	66	05/06/2016
313396XB4	881	Freddie Mac		12/18/2015	9,000,000.00	8,992,980.00	8,989,800.00	0.510	0.525	80	05/20/2016
313396XR9	882	Freddie Mac		12/18/2015	9,000,000.00	8,991,270.00	8,987,780.00	0.520	0.536	94	06/03/2016
313396YF4	883	Freddie Mac		12/18/2015	9,000,000.00	8,990,010.00	8,985,825.00	0.525	0.541	108	06/17/2016
313384US6	875	Fed Home Loan Bank		12/03/2015	9,000,000.00	8,998,380.00	8,998,188.75	0.315	0.324	23	03/24/2016
313384UD9	876	Fed Home Loan Bank		12/08/2015	9,000,000.00	8,999,280.00	8,999,000.00	0.400	0.412	10	03/11/2016
313384VX4	879	Fed Home Loan Bank		12/18/2015	8,000,000.00	7,996,240.00	7,995,493.33	0.390	0.401	52	04/22/2016
		Subtotal and Average	65,350,593.84		62,000,000.00	61,962,400.00	61,947,837.08		0.466	62	
Treasury Coupon Securities											
912828QR4	877	Treasury Note		12/18/2015	10,000,000.00	10,034,800.00	10,032,128.91	1.500	0.530	121	06/30/2016
		Subtotal and Average	10,036,846.31		10,000,000.00	10,034,800.00	10,032,128.91		0.530	121	
Local Agency Investment Funds											
SYS336	336	Local Agency Investmt Fund			50,046,284.49	50,005,595.01	50,046,284.49	0.467	0.467	1	
		Subtotal and Average	50,046,284.49		50,046,284.49	50,005,595.01	50,046,284.49		0.467	1	
		Total and Average	170,982,661.12		163,977,520.92	163,934,241.44	163,941,771.59		0.609	224	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
February 29, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10033	10033	Revolving Fund		07/01/2015	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2015	2,246,663.37	2,246,663.37	2,246,663.37		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			170,982,661.12		166,244,184.29	166,200,904.81	166,208,434.96		0.609	224

(This Page Intentionally Left Blank)



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of March 1, 2016

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

					Maturity Par Value	Percent of Portfolio	Current Book Value	Current Market Value
Aging Interval:	0 days	(03/01/2016 - 03/01/2016)	4 Maturities	0 Payments	56,244,184.29	33.84%	56,244,184.29	56,203,494.81
Aging Interval:	1 - 30 days	(03/02/2016 - 03/31/2016)	2 Maturities	0 Payments	18,000,000.00	10.83%	17,997,188.75	17,997,660.00
Aging Interval:	31 - 60 days	(04/01/2016 - 04/30/2016)	1 Maturities	0 Payments	8,000,000.00	4.81%	7,995,493.33	7,996,240.00
Aging Interval:	61 - 91 days	(05/01/2016 - 05/31/2016)	2 Maturities	0 Payments	18,000,000.00	10.82%	17,981,550.00	17,987,220.00
Aging Interval:	92 - 121 days	(06/01/2016 - 06/30/2016)	3 Maturities	0 Payments	28,000,000.00	16.85%	28,005,733.91	28,016,080.00
Aging Interval:	122 - 152 days	(07/01/2016 - 07/31/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(08/01/2016 - 08/31/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(09/01/2016 - 11/30/2016)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	275 - 365 days	(12/01/2016 - 03/01/2017)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	366 - 1095 days	(03/02/2017 - 03/01/2019)	4 Maturities	0 Payments	38,000,000.00	22.85%	37,984,284.68	38,000,210.00
Aging Interval:	1096 days and after	(03/02/2019 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			16 Investments	0 Payments		100.00	166,208,434.96	166,200,904.81



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank (formerly Union Bank) Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value 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, 2015 includes an increase of \$18,799 to the LAIF investment and a decrease of (\$38,235) to the remaining investments.
- Note 4: The Highmark money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.



Local Agency Investment Fund (LAIF)

As of February 29, 2016, OCFA has \$50,046,284 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 December 31, 2015 is 0.999186963. When applied to OCFA's LAIF investment, the fair value is \$50,005,595 or \$40,689 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 February 29, 2016 is included on the following page.



Fair Value Including Accrued Interest	\$	64,282,545,927.20
--	-----------	--------------------------

Page 11



Orange County Fire Authority

Preliminary Investment Report

March 18, 2016



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
March 18, 2016

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

(See Note 1 on page 18)

(See Note 2 on page 18)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Money Mkt Mutual Funds/Cash	9,118,289.93	9,118,289.93	9,118,289.93	5.24	1	1	0.001	0.001
Federal Agency Coupon Securities	38,000,000.00	37,971,110.00	37,984,601.45	21.81	1,020	814	1.097	1.112
Federal Agency Disc. -Amortizing	53,000,000.00	52,975,460.00	52,961,062.08	30.41	147	53	0.469	0.475
Treasury Coupon Securities	10,000,000.00	10,030,200.00	10,027,349.41	5.76	195	103	0.523	0.530
Local Agency Investment Funds	64,046,284.49	63,994,212.49	64,046,284.49	36.78	1	1	0.461	0.467
Investments	174,164,574.42	174,089,272.42	174,137,587.36	100.00%	279	200	0.581	0.589
Cash								
Passbook/Checking (not included in yield calculations)	939,790.50	939,790.50	939,790.50		1	1	0.000	0.000
Total Cash and Investments	175,104,364.92	175,029,062.92	175,077,377.86		279	200	0.581	0.589

	March 18 Month Ending	Fiscal Year To Date
Total Earnings		
Current Year	50,757.72	505,414.82
Average Daily Balance	173,212,510.57	169,224,599.99
Effective Rate of Return	0.59%	0.42%

"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, 2015. 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

3/25/16

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)

\$ 175,077,377.86

GASB 31 Adjustment to Books (See Note 3 on page 18)

\$ (19,436.11)

Total

\$ 175,057,941.75

ORANGE COUNTY FIRE AUTHORITY

Portfolio Management

Portfolio Details - Investments

March 18, 2016

(See Note 1 on page 18) (See Note 2 on page 18)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	High Mark 100% US Treasury MMF			9,118,289.93	9,118,289.93	9,118,289.93	0.001	0.001	1	
Subtotal and Average			8,974,906.43		9,118,289.93	9,118,289.93	9,118,289.93		0.001	1	
Federal Agency Coupon Securities											
3133EEA75	861	Federal Farm Credit Bank		04/23/2015	9,000,000.00	9,000,360.00	9,000,000.00	0.990	0.998	674	01/22/2018
3133EFJP3	869	Federal Farm Credit Bank(Callable anytime)		10/15/2015	10,000,000.00	9,957,900.00	10,000,000.00	1.100	1.054	940	10/15/2018
3134G7FK2	863	Fed Home Loan Mtg Corp		06/30/2015	9,000,000.00	9,012,150.00	9,000,000.00	1.100	1.065	734	03/23/2018
3134G84A4	878	Fed Home Loan Mtg Corp(Callable 5-24-16)		12/18/2015	10,000,000.00	10,000,700.00	9,984,601.45	1.250	1.315	888	08/24/2018
Subtotal and Average			37,984,451.86		38,000,000.00	37,971,110.00	37,984,601.45		1.112	814	
Federal Agency Disc. -Amortizing											
313396VM1	880	Freddie Mac		12/18/2015	9,000,000.00	8,996,490.00	8,994,000.00	0.500	0.515	48	05/06/2016
313396XB4	881	Freddie Mac		12/18/2015	9,000,000.00	8,995,410.00	8,992,095.00	0.510	0.525	62	05/20/2016
313396XR9	882	Freddie Mac		12/18/2015	9,000,000.00	8,993,340.00	8,990,120.00	0.520	0.536	76	06/03/2016
313396YF4	883	Freddie Mac		12/18/2015	9,000,000.00	8,992,080.00	8,988,187.50	0.525	0.541	90	06/17/2016
313384US6	875	Fed Home Loan Bank		12/03/2015	9,000,000.00	8,999,820.00	8,999,606.25	0.315	0.324	5	03/24/2016
313384VX4	879	Fed Home Loan Bank		12/18/2015	8,000,000.00	7,998,320.00	7,997,053.33	0.390	0.401	34	04/22/2016
Subtotal and Average			57,955,039.17		53,000,000.00	52,975,460.00	52,961,062.08		0.475	53	
Treasury Coupon Securities											
912828QR4	877	Treasury Note		12/18/2015	10,000,000.00	10,030,200.00	10,027,349.41	1.500	0.530	103	06/30/2016
Subtotal and Average			10,029,606.40		10,000,000.00	10,030,200.00	10,027,349.41		0.530	103	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			64,046,284.49	63,994,212.49	64,046,284.49	0.467	0.467	1	
Subtotal and Average			58,268,506.71		64,046,284.49	63,994,212.49	64,046,284.49		0.467	1	
Total and Average			173,212,510.57		174,164,574.42	174,089,272.42	174,137,587.36		0.589	200	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
March 18, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Maturity
Money Mkt Mutual Funds/Cash										
SYS10033	10033	Revolving Fund		07/01/2015	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2015	919,790.50	919,790.50	919,790.50		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			173,212,510.57		175,104,364.92	175,029,062.92	175,077,377.86		0.589	200

(This Page Intentionally Left Blank)



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of March 19, 2016

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
Aging Interval: 0 days	(03/19/2016 - 03/19/2016)	4 Maturities	0 Payments		74,104,364.92	42.33%	74,104,364.92	74,052,292.92
Aging Interval: 1 - 30 days	(03/20/2016 - 04/18/2016)	1 Maturities	0 Payments		9,000,000.00	5.14%	8,999,606.25	8,999,820.00
Aging Interval: 31 - 60 days	(04/19/2016 - 05/18/2016)	2 Maturities	0 Payments		17,000,000.00	9.70%	16,991,053.33	16,994,810.00
Aging Interval: 61 - 91 days	(05/19/2016 - 06/18/2016)	3 Maturities	0 Payments		27,000,000.00	15.40%	26,970,402.50	26,980,830.00
Aging Interval: 92 - 121 days	(06/19/2016 - 07/18/2016)	1 Maturities	0 Payments		10,000,000.00	5.73%	10,027,349.41	10,030,200.00
Aging Interval: 122 - 152 days	(07/19/2016 - 08/18/2016)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 153 - 183 days	(08/19/2016 - 09/18/2016)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 184 - 274 days	(09/19/2016 - 12/18/2016)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 275 - 365 days	(12/19/2016 - 03/19/2017)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(03/20/2017 - 03/19/2019)	4 Maturities	0 Payments		38,000,000.00	21.70%	37,984,601.45	37,971,110.00
Aging Interval: 1096 days and after	(03/20/2019 -)	0 Maturities	0 Payments		0.00	0.00%	0.00	0.00
Total for		15 Investments	0 Payments			100.00	175,077,377.86	175,029,062.92



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2015 includes an increase of \$18,799 to the LAIF investment and a decrease of (\$38,235) to the remaining investments.
- Note 4: The Highmark 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 \$50 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot 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

Budget and Finance Committee Meeting
April 13, 2016

Agenda Item No. 4B
Discussion Calendar

Communication with Auditors for FY 2015/16 Financial Audit

Contact(s) for Further Information

Jim Ruane, Finance Manager/Auditor
Business Services Department

jimruane@ocfa.org

714.573.6304

Rich Kikuchi, Partner
Lance, Soll & Lunghard, LLP (LSL)

richard.kikuchi@lslcpas.com

714.672.0022

Summary

This agenda item is submitted to provide an update to the Budget and Finance Committee on the FY 2015/16 financial audit, including two-way communication between the Committee and the independent financial auditors in accordance with Statements on Auditing Standards (SAS) No. 114.

Prior Board/Committee Action

Not Applicable.

RECOMMENDED ACTION(S)

Receive and file the report.

Impact to Cities/County

Not Applicable

Fiscal Impact

Not Applicable

Background

The American Institute of Certified Public Accountants (AICPA) issues Statements of Auditing Standards (SAS), which address the guidelines auditors must follow while conducting audits of financial statements. In 2006, the AICPA issued SAS No. 114, The Auditor's Communication with Those Charged with Governance, which requires auditors and "those with power of governance" to engage in two-way communication regarding audit matters. Specific duties of "those with power of governance" (i.e., Board of Directors) may be delegated to a sub-group, such as an audit committee. The OCFA's Budget and Finance Committee serves as the Audit Committee. Two-way communication is needed in order to:

- Communicate the auditors' responsibilities (i.e., scope of the audit);
- Obtain information relevant to the audit;
- Provide timely observations arising from the audit that are relevant to the governing body's responsibilities in overseeing the financial reporting process; and
- Communicate any significant findings in writing.

OCFA's independent financial auditor, Lance, Soll & Lunghard, LLP, is scheduled to begin its FY 2015/16 interim audit fieldwork on May 9, 2016. A representative from the audit engagement team provides a presentation to the Committee at the beginning of the audit process in order to commence two-way communication in accordance with SAS No. 114. The auditor will also present the financial statements to the Committee and Board of Directors at the completion of the audit later this year.

Attachment(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
April 13, 2016

Agenda Item No. 4C
Discussion Calendar

Proposed New Purchasing Ordinance – Introduction

Contact(s) for Further Information

Lori Zeller, Assistant Chief
Business Services Department

lorizeller@ocfa.org

714.573.6020

Debbie Casper, Purchasing & Materials Manager

debbiecasper@ocfa.org

714.573.6641

Summary

This item is submitted to the Budget and Finance Committee for consideration to adopt a more comprehensive procurement ordinance to govern the Orange County Fire Authority procurement functions, and to discuss modifications to the Roles, Responsibilities, and Authority matrix for various procurements.

Prior Board/Committee Action

Ordinance No. 006 and No. 007 were adopted on April 23, 2009, and the purchasing items listed in the Roles/Responsibilities/Authorities Matrix was last updated February 26, 2015. At the November 3, 2015, Human Resources Committee meeting, Director Hatch inquired about the feasibility of delegating more responsibility from the Board of Directors to administration to enable management to award higher dollar purchasing contracts without requiring Board approval. Director Hatch requested staff to develop recommendations for further discussion with the Budget and Finance Committee.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of April 28, 2016, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Waive the full reading of the proposed Ordinance.
2. Introduce proposed Ordinance No. 008 entitled AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY REPEALING ORDINANCE NO. 006 AND ORDINANCE NO. 007 AND ESTABLISHING THE PURCHASING RULES AND PROCEDURES OF THE ORANGE COUNTY FIRE AUTHORITY establishing a comprehensive procurement ordinance based on the American Bar Association Model Procurement Code.
3. Approve the proposed Resolution entitled A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY BOARD OF DIRECTORS AMENDING THE ROLES/RESPONSIBILITIES/AUTHORITIES MATRIX TO COINCIDE WITH THE NEW PURCHASING CODE.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

See attached extended background.

Attachment(s)

1. Ordinance No. 006 (current) Establishing Informal Bidding Procedures
2. Ordinance No. 007 (current) Establishing Purchasing Rules and Regulations
3. Proposed Ordinance No. 008 Establishing a Comprehensive Procurement Ordinance based on the Model Procurement Code
4. Purchasing Authorities Comparison Chart
5. Proposed Resolution Adopting the Roles/Responsibilities/Authorities Matrix for the OCFA

Background

The Orange County Fire Authority's purchasing ordinances and guidelines were originally established in 1995 and 1996 when OCFA had just formed and the organization was in the early stages of developing fiscal controls. The existing ordinances provide for centralized procurement functions and were subsequently updated in 2003, and again in 2009, to provide for updates allowing for electronic processes, increase informal bid limits, and to refine outdated or redundant language.

No substantial changes were made to either of the ordinances since their inception. As a result, the requirements that govern our procurement practices today are substantially the same as they were when they were adopted. The purpose of the new ordinance is to simplify, clarify, centralize, and modernize the requirements governing the procurement functions of the OCFA.

American Bar Association Model Procurement Code

Based on a review of best practices in public procurement, staff is recommending a new comprehensive procurement ordinance or code based on the American Bar Association (ABA) Model Procurement Code (MPC). The MPC was initially developed and adopted in 1979 and updated in 2000. The MPC is identified as the most recognized regulatory model for state and local government in the country. Due to its longevity and exposure to countless procurement challenges, the MPC provides the best standard. The MPC has been adopted in part and in whole by thousands of local jurisdictions across the United States.

The MPC structure is intended to provide a flexible framework that promotes transparency, fairness, competition, and reliable processes for government agencies adopting a model procurement-based code. The proposed new Ordinance No. 008 is structured into twelve articles providing policies, legal remedies and ethical considerations as summarized below. Articles I through X cover basic policies for the procurement of supplies, services and construction; disposal of supplies; and legal remedies. Article XI is reserved for any new/additional policies that OCFA may elect to become subject to in the future and Article XII establishes ethical standards for procurement staff.

The MPC provides a guide for addressing common procurement related concerns. Current OCFA Ordinance Nos. 006 and 007 are missing some key components typically found in government procurement regulations such as, authorization for best value procurements (request for proposals), protest provisions and authorization for use of cooperative purchasing contracts. The need for further direction on these elements was referenced in an Internal Control Review of Purchasing Practices (2013), which referenced some of these concerns and suggested the adoption of a purchasing ordinance based on the MPC. Due to the comprehensive changes and combination of the two ordinances into one, it was not feasible to red-line the prior ordinances in the incorporation.

OCFA legal counsel has provided an in-depth review of the new proposed purchasing Ordinance No. 008 and has supported the recommended changes.

Research on Procurement Limits

The current Roles/Responsibilities/Authorities matrix was updated on February 26, 2015. Staff has reviewed and compared the purchasing limits of larger regional agencies in the county including the County of Orange, Orange County Transportation Authority (OCTA), and Irvine Ranch Water District (IRWD). The City of Irvine was also included in the comparison and a chart of the findings is included (Attachment 4). Based on this comparison, staff is proposing changes in OCFA's purchasing authority limits that will put the OCFA thresholds in line with other regional agencies of like-size.

Proposed Changes to Procurement Limits

The recommended changes in the Roles and Responsibilities matrix will provide further clarification to OCFA staff and will allow for additional management authority in an effort to streamline the purchasing process for the day to day purchasing needs. The updated code will provide the legal backbone for the source selection and contract formation methods used in awarding Fire Authority contracts. ***The Executive Committee would retain the authority to approve non-competitive contracts and those with significant value and the Board would retain the authority for all formal public projects.***

Proposed revisions to the Roles and Responsibilities matrix include:

- References to applicable sections in the procurement code
- Separates commodity purchases and fixed assets allowing for different approval limits
- Increases management authority for the approval and amendment of commodity contracts (materials, equipment and supplies) so long as the annual contract amount remains less than \$250,000
- Provides for management authority to approve fixed asset purchases less than \$100,000 per unit
- Modifies management authority to approve service contracts less than \$100,000 annually, and for multi-year contracts when the total contract amount does not exceed \$500,000
- Further defines change orders and contract amendments with revised approval amounts
- Increases management authority for sole source purchases from \$25,000 to \$50,000 aggregate in order to align with the small purchase limits defined in Sec. 1-20 of the procurement code
- Addition of special procurements defined in Sec. 1-23 with management authority at the same limits as sole source (up to \$50,000). *Special procurements are for those purchases that are in the best interest to the Fire Authority that do not meet the definition of a sole source and reasons for not going through a solicitation process are validated*
- Included details of current thresholds from the Public Contract Code Section 22032
- Reduced management authority on informal public project change orders from \$50,000 to \$17,500 which equals 10% of the current informal amount defined in the Public Contract Code
- Added Board approval for change orders on formal public projects greater than 10% of the original contract amount or \$50,000 whichever is less
- Added the authority for the Fire Chief or his designee to declare an emergency and authorize procurement of equipment, services, construction services and supplies without competitive bidding requirements with reporting to follow at the next scheduled Board meeting

Summary of Benefits in Adopting the Proposed MPC & Roles/Responsibilities Matrix

The establishment of one comprehensive ordinance that governs procurement will create a clear and consistent guide for staff, vendors doing business with OCFA, and the public. The structure of the ordinance will allow for future amendments as required without rescinding and replacing the entire ordinance. Staff recommends adoption of a new OCFA Procurement Code, proposed Ordinance No. 008, which is consistent with the ABA Model Procurement Code.

Revision to the Roles, Responsibilities, and Authorities Matrix will provide the OCFA staff with the tools needed to address the daily needs of the Fire Authority while permitting the Executive Committee and the Board of Directors to retain oversight in the process.

ORDINANCE NO. 006

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE
COUNTY FIRE AUTHORITY REPEALING ORDINANCE NO. 002 AND
ESTABLISHING INFORMAL BIDDING PROCEDURES UNDER THE
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT
(SECTION 22000, ET SEQ, OF THE PUBLIC CONTRACT CODE)**

RECITALS

A. WHEREAS, on February 22, 1996, the Orange County Fire Authority adopted OCFA Ordinance No. 002 establishing informal bidding procedures under the Uniform Public Construction Cost Accounting Act; and

B. WHEREAS, at the time of adoption of Ordinance 002, the UPCCAA authorized informal bidding procedures to be applied for construction contracts no greater than \$75,000, and accordingly, Ordinance 002 limited the application of informal bidding procedures to contracts no greater than \$75,000; and

C. WHEREAS, since the adoption of Ordinance 002, the UPCCAA has been amended to authorize public agencies to apply informal bidding procedures to larger construction contracts, with the limit presently set at \$125,000; and

D. WHEREAS, the Board of Directors wishes to replace the existing \$75,000 limitation established in Ordinance 002 with the maximum limit set forth in the UPCCAA, as that limitation may be amended from time to time, and to make related administrative changes in the procedures.

THEREFORE, the Board of Directors of the Orange County Fire Authority does hereby ordain as follows:

Section 1. Repeal of Ordinance No. 002; Replacement.

As of the effective date of this Ordinance, Ordinance No. 002 is hereby repealed and replaced, in its entirety, with the provisions of this Ordinance.

Section 2.0 Informal Bid Procedures

Public works projects, as defined by the Uniform Public Construction Cost Accounting Act, and in accordance with the limits listed in Section 22302 of the Public Contract Code, as those limits may be amended from time to time, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Section 2.1 Contractors List

A list of qualified contractors, identified according to categories of work, shall be developed and maintained by the Authority in accordance with the provisions of Section 22034 of the Public Contract Code and criteria established from time to time by the California Uniform Construction Cost Accounting Commission.

Section 2.2 Notice Inviting Informal Bids

Where a public works project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 2.1, or to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code, unless the product or service is proprietary. Additional contractors and/or construction trade journals may be notified at the discretion of the Authority. If there is no list of qualified contractors maintained by the Authority for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

Section 2.3 Mailing of Notices and Description of Project

All mailing of notices to contractors or construction trade journals pursuant to Section 2.2 shall be completed not less than 10 calendar days before bids are due. The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

Section 2.4 Bids in Excess of the Formal Limit

If all bids received are in excess of the formal limit then set forth in Section 22032, the Board may, by passage of a resolution by a 4/5ths vote, award the contract to the lowest responsible bidder, if the Board determines the cost estimate was reasonable and if the contract amount does not exceed the maximum amount then permissible set forth in Section 22034.

Section 2.5 Award of Contracts

Except as specified under Section 2.4, the Orange County Fire Authority Purchasing Manager is authorized to award informally bid contracts pursuant to provisions of this ordinance.

Section 3. Severability

If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the validity of the entire Ordinance or any of the remaining portions.

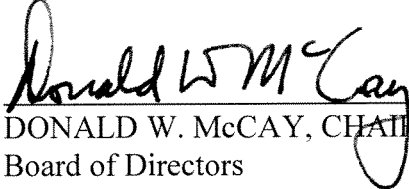
Section 4. Precedence

This Ordinance shall supercede the provisions of any previously adopted ordinance, resolution or policy inconsistent herewith.

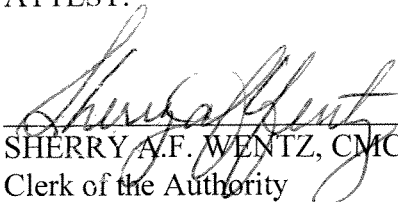
Section 5. Effective Date; Publication

This Ordinance shall take effect and be in force thirty (30) days after the date of its passage. Before the expiration of fifteen (15) days after its passage, it or a summary of it shall be published once, with the names of the members of the Board of Directors voting for and against the same in the Orange County Register, a newspaper of general circulation published in the County of Orange.

PASSED, APPROVED, AND ADOPTED this 23rd day of April 2009.


DONALD W. McCAY, CHAIR
Board of Directors

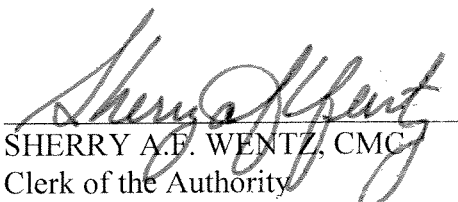
ATTEST:


SHERRY A.F. WENTZ, CMC
Clerk of the Authority

STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss.
CITY OF ORANGE }

I, SHERRY A.F. WENTZ, Clerk of the Orange County Fire Authority, do hereby certify that the foregoing Ordinance No. 006 was duly introduced and placed upon its first reading at a regular meeting of the Orange County Fire Authority Board of Directors on the 26th day of March 2009, and that thereafter, said Ordinance was duly adopted and passed at an adjourned regular meeting of the Board of Directors of the Orange County Fire Authority held on the 23rd day of April 2009, by the following vote, to wit:

AYES:	Joe Aguirre, Alternate, Placentia	Neil Blais, Rancho Santa Margarita
	Bill Campbell, County of Orange	Henry Charoen, La Palma
	Dr. Steven S. Choi, Irvine	Troy Edgar, Los Alamitos
	Trish Kelley, Mission Viejo	Don McCay, Buena Park
	Janet Nguyen, County of Orange	Jim Palmer, Alternate, Tustin
	Brad Reese, Villa Park	Nancy Rikel, Yorba Linda
	Martin Rhodes, Alternate, Laguna Woods	R. Craig Scott, Laguna Hills
	Todd Seymore, Cypress	David Shawver, Stanton
	David Sloan, Seal Beach	Tri Ta, Westminster
	Mark Tettemer, Lake Forest	Dr. Londres Uso, San Juan Capistrano
	Steven Weinberg, Dana Point	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Carmen Cave, Aliso Viejo	Gary Capata, Laguna Niguel
	Greg Sowards, Placentia	James Dahl, San Clemente
	Doug Davert, Tustin	


SHERRY A.F. WENTZ, CMC
Clerk of the Authority

ORDINANCE NO. 007

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY REPEALING ORDINANCE NO. 005 AND ESTABLISHING THE PURCHASING RULES AND REGULATIONS OF THE FIRE AUTHORITY

RECITALS

A. WHEREAS, on January 16, 2003, the Orange County Fire Authority adopted OCFA Ordinance No. 005 establishing the Authority's purchasing rules and regulations of the Fire Authority. Ordinance No. 005 established the general guidelines for all purchasing activities (except Public Works projects) of the Fire Authority; and

B. WHEREAS, Ordinance No. 005 limited more expedited informal bidding processes to contracts of not greater than \$5,000, the same limits established when the Fire Authority was established in 1995; and

C. WHEREAS, revising the informal bid limit to \$10,000 will help keep pace with the escalating cost of goods and services, and will result in efficiency savings; and

D. WHEREAS, additional improvements in contracting efficiency for the Fire Authority and those contracting with it can be achieved by: changing the award criteria for emergency purchases from "quickest" to "most value-added"; providing an alternate Published Notice requirement to include posting on the OCFA website; allowing for a secure, web-based system to receive formal bids; allowing posting of bid tabulations on the OCFA website; and allowing for posting bid solicitations on the OCFA website.

THEREFORE, the Board of Directors of the Orange County Fire Authority does hereby ORDAIN:

Section 1. Repeal of Ordinance No. 005; Replacement:

As of the effective date of this Ordinance, Ordinance No. 005 is hereby repealed and replaced, in its entirety, with the provisions of this Ordinance.

Section 2. ADOPTION OF PURCHASING SYSTEM

In order to establish efficient procedures for the purchase of services, supplies and equipment; to secure for the Fire Authority supplies, equipment, services at the lowest possible cost commensurate with quality needed; to exercise positive financial control over purchases; to clearly define authority for the purchasing functions; to assure the quality of purchases; and to buy without favor or prejudice, a purchasing system is hereby adopted and shall control the procedure for all purchases except Public Works projects and as otherwise provided by law.

Section 3. DEFINITION OF TERMS

The following terms, whenever used in this Ordinance, shall be construed as follows:

- A. Fire Authority: The Orange County Fire Authority.
- B. Purchases: Purchases of services, supplies and equipment shall include Master Lease Agreements and other debt service agreements.
- C. Purchasing Manager: The official appointed by the Fire Chief for enforcement of this division. The duties of the Purchasing Manager may be combined with those of another position.
- D. Services, Supplies and Equipment: Any and all services, articles, things, or personal property furnished to or used by the Fire Authority.

Section 4. A CENTRALIZED PURCHASING PROGRAM

There is hereby created a centralized purchasing program within the Orange County Fire Authority in which is vested authority for the purchase of services, supplies and equipment. The Board of Directors shall adopt by resolution policies setting forth the authority and limitations of the centralized purchasing program.

Section 5. PURCHASING MANAGER GENERAL POWERS

The Purchasing Manager shall direct and supervise the purchasing program. He/she shall appoint such deputies, assistants or other employees as shall from time to time be authorized. The Purchasing Manager utilizing sound professional purchasing practices, shall endeavor to obtain as full and open competition as reasonable on all purchases and shall award all purchases to qualified bidders. He/she shall furnish the Board of Directors with such reports and information as the Board may from time to time require, and shall establish methods and procedures necessary for the proper functioning of the purchasing program in an efficient and economical manner.

Section 6. PURCHASING MANAGER AUTHORITY

The Purchasing Manager shall have the authority to:

- A. Purchase Material: Purchase all services, supplies, equipment and other personal property required by the Fire Authority in accordance with the policies and procedures adopted by the Board of Directors, administrative procedures approved by the Fire Chief, or as otherwise provided by law. Except in cases of emergency, pursuant to Section 12 or where the Board of Directors or the Executive Committee has retained authority, no purchase of services, supplies and

equipment by any person other than the Purchasing Manager or his or her appointed designee shall be binding upon the Fire Authority or constitute a lawful charge against Fire Authority funds.

- B. Contract Generally: Enter into any contract permitted by law, including but not limited to purchase orders, price agreements, equipment service contracts, lease purchase agreements, professional service contracts and rental agreements, subject to any restrictions set forth in this division or specifically provided for by law.
- C. Dispose of Surplus Property: Dispose of all Fire Authority surplus supplies and equipment and any other surplus personal property in accordance with the provisions of Section 13 of this Ordinance.

Section 7. PURCHASING REQUIREMENTS

Purchases of services, supplies, and equipment shall be made and accomplished in conformity with Section 8, except:

- A. When the amount is less than ten thousand dollars (\$10,000); or
- B. When the Purchasing Manager determines that an emergency exists which requires that an order be placed with the most value-added source of supply; or
- C. When an emergency exists pursuant to Section 12; or
- D. When the Purchasing Manager, with the approval of the Fire Chief, determines that the services, supplies, and equipment needed can feasibly be obtained from one source only; or
- E. When the Board of Directors has contracted for or transferred the authority to make the purchase of services, supplies and equipment to another governmental agency or officer thereof pursuant to lawful authority; or
- F. When the Board of Directors finds that the public interest and convenience require the purchase of services, supplies, and equipment utilizing purchasing agreements maintained by the county, state or other public agencies; or
- G. When the Board of Directors determines to dispense with such bidding and other procedures in any individual instance upon finding that it would be impractical, useless or uneconomical in such instance to follow the bidding or other procedures, and that the welfare of the public would be promoted by dispensing with the same.

Section 8. BIDDING - PROCEDURES

The bidding procedure for the Orange County Fire Authority shall be one of the following:

A. Formal Written Bid Process:

A formal written bid shall be processed as indicated below for all purchases where required by state and/or federal laws or when required by action of the Board of Directors or Executive Committee, but shall not apply to public works contracts. The process shall include the following components:

1. NOTICE INVITING BIDS. Notices inviting bids shall include a general description of the articles to be purchased and shall state where the bid documents and specifications may be secured and the time and place for opening bids.
 - a. Published Notice: The first notice inviting bids shall be published at least ten days before the opening of the bids. Notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in the County of Orange; or the notice may be posted on the Fire Authority's website at least ten days prior to the opening of bids.
2. BIDDERS' SECURITY. When deemed necessary, or when required by state and/or federal law, bidders' security will be prescribed in the public notices inviting bids. The security shall be returned upon rejection of a bid, provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten days after the award of contract has been mailed, unless the Fire Authority is responsible for or agrees to the delay. The Board of Directors may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsive and responsible bidder. If the Fire Authority awards the contract to the next lowest responsive and responsible bidder, the amount of the lowest bidders' security shall be applied by the Fire Authority to the difference between the low bid and the second lowest bid, and the surplus, if any shall be returned to the lowest bidder or to the surety if a bidder's bond is used.
3. BID OPENING PROCEDURE. Sealed bids shall be submitted to the Fire Authority and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices.

A secure, web-based system or other appropriate media may be used in lieu of sealed bids opened in public, provided that the Purchasing Manager has approved the system for accuracy, confidentiality, and reliability.

A tabulation of all bids received shall be posted on the Fire Authority's website; or, open for public inspection during regular business hours for a period of not less than thirty calendar days after the bid opening.

4. REJECTION OF BIDS. At its discretion, the Board of Directors may reject all bids presented and re-advertise for bids.
5. AWARD OF CONTRACTS. Contracts shall be awarded to the lowest responsive and responsible bidder, except as otherwise provided herein.
6. TIE BIDS. If two or more bids received are for the same total amount or unit price with equal quality and service, and if the public interest will not permit the delay of re-advertising for bids, the Fire Authority shall accept the bidder whose business is located within the OCFA service areas, or accept the one it chooses, or accept the lowest responsive and responsible bid made by negotiation with the tie bidders.
7. PERFORMANCE BONDS. The Board of Directors shall have the authority to require a performance bond before entering into a contract in such amount as it shall find reasonably necessary to protect the best interests of the Fire Authority. If the Fire Authority requires a performance bond, the form and amount of the bond shall be described in the notice inviting bids or in the contract specifications.

B. Open Market Process:

Purchase of services, supplies, and equipment shall be made by the Purchasing Manager following the open market process described herein where neither state and federal laws nor action of the Board of Directors or Executive Committee require the use of the formal written bid process, or where these procedures are not otherwise exempted. This process shall include the following:

1. MINIMUM NUMBER OF BIDS. Open market purchases shall, whenever possible, be based on at least three bids.
2. SOLICITING BIDS. The Purchasing Manager shall solicit bids from prospective vendors by written request, FAX, telephone, or by public notice posted on the Fire Authority's website.

3. AWARD OF PURCHASE. Open market purchases shall be awarded to the most qualified bidder as determined by the Orange County Fire Authority.

Section 9. RECORD RETENTION

The Purchasing Manager shall maintain records of all sealed written bids and open market orders resulting therefrom for a period of one year after the submission of the bids or the placing of orders. This record, while so kept, shall be open to public inspection during regular business hours.

Section 10. ENCUMBRANCES OF FUNDS

Except in cases of emergency, or in cases where specific authority has been first obtained from the Fire Chief, the Purchasing Manager shall not issue any purchase orders for supplies or equipment unless there exists an unencumbered appropriation in the fund account against which said purchase is to be charged. All purchases, regardless of encumbrances, shall be made in conformance with the policies established by this Ordinance.

Section 11. INSPECTION AND TESTING

The Purchasing Manager may inspect supplies and equipment delivered to determine their conformance with the specifications set forth in the order or contract. The Purchasing Manager shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine compliance with specifications.

Section 12. EMERGENCY PURCHASES

In the event services, equipment or supplies are immediately necessary for the preservation to life or property, emergency purchases may be made without compliance with Section 8 by:

The Fire Chief and/or his designee who shall provide a full report of the circumstances of all emergency purchases in excess of the Fire Chief's delegated authority. Such purchases require prior approval of the Chair or Vice-Chair and shall be reported at the next meeting of the Executive Committee.

Section 13. SURPLUS SUPPLIES AND EQUIPMENT

The process for the disposition of surplus supplies and equipment shall be as follows:

- A. Disposition of Surplus Property: The approved disposition process for surplus property will be determined by the Purchasing Manager and shall be in accordance with guidelines as established in the OCFA Purchasing Handbook.

- B. Donated Property: If the surplus property has an estimated value of less than \$5,000 and it is proposed that the property may be donated, the Purchasing Manager has the authority to determine whether the proposed donation of the surplus property to another local agency or non-profit organization is in keeping with the intent of the California Constitution. Under the California Constitution, when a public agency gives a surplus item to another organization, the item must be used for a public purpose of interest and benefit generally to the people of the agency's jurisdiction and in keeping with the agency's purpose. Said donations shall require the prior approval of the Fire Chief and a release of liability to OCFA from the agency accepting the surplus property. Donations of surplus property with an estimated value of \$5,000 or more must require prior approval of the Executive Committee or Board of Directors.
- C. Historical Surplus Property: Surplus Property deemed to have historical significance, by the Fire Chief and/or his designee, will be transferred and placed in the custody of a designated section manager for safe keeping.
- D. Surplus Property: The Purchasing Manager shall provide an annual report of surplus property disposition to the Assistant Chief of Business Services.

Section 14. SEVERABILITY

If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the validity of the entire Ordinance or any of the remaining portions.

Section 15. PRECEDENCE

This Ordinance shall supercede the provisions of any previously adopted ordinance, resolution or policy inconsistent herewith.

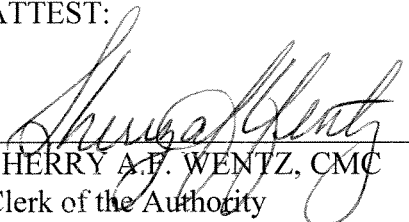
Section 16. EFFECTIVE DATE; PUBLICATION.

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage. Before the expiration of fifteen (15) days after its passage, it or a summary of it shall be published once, with the names of the members of the Board of Directors voting for and against the same in the Register, a newspaper of general circulation published in the County of Orange.

PASSED, APPROVED, AND ADOPTED this 23rd day of April 2009.


DONALD W. McCAY, CHAIR
Board of Directors

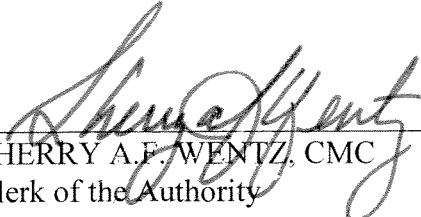
ATTEST:


SHERRY A.F. WENTZ, CMC
Clerk of the Authority

STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss.
CITY OF ORANGE }

I, SHERRY A.F. WENTZ, Clerk of the Orange County Fire Authority, do hereby certify that the foregoing Ordinance No. 007 was duly introduced and placed upon its first reading at a regular meeting of the Orange County Fire Authority Board of Directors on the 26th day of March 2009, and that thereafter, said Ordinance was duly adopted and passed at an adjourned regular meeting of the Board of Directors of the Orange County Fire Authority held on the 23rd day of April 2009, by the following vote, to wit:

AYES:	Joe Aguirre, Alternate, Placentia	Neil Blais, Rancho Santa Margarita
	Bill Campbell, County of Orange	Henry Charoen, La Palma
	Dr. Steven S. Choi, Irvine	Troy Edgar, Los Alamitos
	Trish Kelley, Mission Viejo	Don McCay, Buena Park
	Janet Nguyen, County of Orange	Jim Palmer, Alternate, Tustin
	Brad Reese, Villa Park	Nancy Rikel, Yorba Linda
	Martin Rhodes, Alternate, Laguna Woods	R. Craig Scott, Laguna Hills
	Todd Seymore, Cypress	David Shawver, Stanton
	David Sloan, Seal Beach	Tri Ta, Westminster
	Mark Tettermer, Lake Forest	Dr. Londres Uso, San Juan Capistrano
	Steven Weinberg, Dana Point	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Carmen Cave, Aliso Viejo	Gary Capata, Laguna Niguel
	Greg Sowards, Placentia	James Dahl, San Clemente
	Doug Davert, Tustin	


SHERRY A.F. WENTZ, CMC
Clerk of the Authority

ORDINANCE NO. 008

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY FIRE AUTHORITY REPEALING ORDINANCE NO. 006 AND ORDINANCE NO. 007 AND ESTABLISHING THE PURCHASING RULES AND PROCEDURES OF THE ORANGE COUNTY FIRE AUTHORITY

RECITALS

A. *WHEREAS*, on April 23, 2009, the Orange County Fire Authority adopted OCFA Ordinance No. 006 establishing informal bidding procedures under the Uniform Public Construction Cost Accounting Act; and

B. *WHEREAS*, on April 23, 2009, the Orange County Fire Authority adopted OCFA Ordinance No. 007 establishing the purchasing rules and procedures; and

C. *WHEREAS*, the Board wishes to replace these two ordinances with a single ordinance based on the American Bar Association Model Procurement Code.

THEREFORE, the Board of Directors of the Orange County Fire Authority does hereby ordain as follows:

Section 1. Repeal of Ordinance Nos. 006 and 007; Replacement.

As of the effective date of this Ordinance, Ordinance No. 006 and No. 007 are hereby repealed and replaced, in their entirety, with the Orange County Fire Authority Procurement Code attached hereto as Exhibit A.

Section 2. Effective Date; Publication.

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage. Before the expiration of fifteen (15) days after its passage, it or a summary of it shall be published once, with the names of the members of the Board of Directors voting for and against the same in the Register, a newspaper of general circulation published in the County of Orange.

PASSED, APPROVED and ADOPTED this ____ day of _____ 2016.

GENE HERNANDEZ, CHAIR
OCFA Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss
CITY OF ORANGE }

I, SHERRY A.F. WENTZ, Clerk of the Orange County Fire Authority, do hereby certify that the foregoing Ordinance No. 008 was duly introduced and placed upon its first reading at a regular meeting of the Orange County Fire Authority Board of Directors on the _____ day of _____ 2016, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the Board of Directors of the Orange County Fire Authority held on the _____ day of _____ 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

EXHIBIT A

ORANGE COUNTY FIRE AUTHORITY
PROCUREMENT CODE

- Art. I. In General, §§ 1-1--1-10**
- Art. II. Chief Procurement Officer Authority, §§ 1-11--1-14**
- Art. III. Source Selection and Contract Formation, §§ 1-15--1-40**
- Art. IV. Specifications, §§ 1-41--1-46**
- Art. V. Procurement of Public Works Projects and Professional Design Services, §§ 1-47--1-57**
- Art. VI. Contract Terms and Conditions, §§ 1-58--1-61**
- Art. VII. Cost Principles, §§ 1-62--1-65**
- Art. VIII. Materials Management, §§ 1-66--1-74**
- Art. IX. Legal and Contractual Remedies, §§ 1-75--1-125**
- Art. X. Cooperative Purchasing, §§ 1-126--1-131**
- Art. XI. Reserved, §§ 1-132--1-136**
- Art. XII. Ethics in Public Contracting, §§ 1-137--1-140**

Article I. General Provisions

- Sec. 1-1. General Law.
- Sec. 1-2. Applicability.
- Sec. 1-3. Definitions.
- Sec. 1-4. Supplementary general principles of law applicable.
- Sec. 1-5. Requirement of good faith.
- Sec. 1-6. Confidential information.
- Secs. 1-7--1-10. Reserved.

Article II. Chief Procurement Officer Authority

Sec. 1-11. Authority of the Chief Procurement Officer.

Sec. 1-12. Written determinations.

Secs. 1-13, 1-14. Reserved.

Article III. Source Selection and Contract Formation

Sec. 1-15. Definitions.

Sec. 1-16. Methods of source selection.

Sec. 1-17. Competitive sealed bidding.

Sec. 1-18. Competitive sealed proposals.

Sec. 1-19. Contracting for legal counsel.

Sec. 1-20. Small purchases.

Sec. 1-21. Sole source procurement.

Sec. 1-22. Emergency procurements.

Sec. 1-23. Special procurements.

Sec. 1-24. Cancellation of solicitations.

Sec. 1-25. Rejection of individual bids, proposals, quotations or statements of qualifications

Sec. 1-26. Responsibility of bidders, offerors and respondents.

Sec. 1-27. Bid and contract security, material or service contracts.

Sec. 1-28. Types of contracts.

Sec. 1-29. Approval of accounting system.

Sec. 1-30. Multi-year contracts.

Sec. 1-31. Right to inspect.

Sec. 1-32. Right to audit records.

Sec. 1-33. Reporting of anticompetitive practices.

Sec. 1-34. Prospective vendors lists.

Sec. 1-35. Contract form and execution.

Sec. 1-36. Assignment of rights and duties.

Sec. 1-37--1-40. Reserved.

Article IV. Specifications

- Sec. 1-41. Definitions.
- Sec. 1-42. Maximum practicable competition.
- Sec. 1-43. Specifications prepared by other than Fire Authority personnel.
- Sec. 1-44. Brand name or equal specification.
- Sec. 1-45. Brand name specification.
- Sec. 1-46. Reserved.

Article V. Procurement of Public Projects and Professional Design Services

- Sec. 1-47. Definitions.
- Sec. 1-48. Procurement of public projects.
- Sec. 1-49. Public project informal bidding procedures.
- Sec. 1-50. Public project formal bidding procedures.
- Sec. 1-51. Procurement of professional design services.
- Sec. 1-52. Procurement of construction services.
- Sec. 1-53. Public project emergencies procedures.
- Sec. 1-54--1-57. Reserved.

Article VI. Contract Terms and Conditions

- Sec. 1-58. Contract terms and conditions.
- Secs. 1-59--1-61. Reserved.

Article VII. Cost Principles

- Sec. 1-62. Cost principles.
- Sec. 1-63. Cost or pricing data.
- Secs. 1-64, 1-65. Reserved.

Article VIII. Materials Management

- Sec. 1-66. Definitions.
- Sec. 1-67. Materials management guidelines.
- Sec. 1-68. Inventory management.
- Sec. 1-69. Disposition of surplus property.
- Secs. 1-70--1-74. Reserved.

Article IX. Legal and Contractual Remedies

- Sec. 1-75. Definitions.
- Sec. 1-76. Authority of the Chief Procurement Officer.
- Sec. 1-77. Right to protest.
- Sec. 1-78. Filing of a protest.
- Sec. 1-79. Time for filing protests.
- Sec. 1-80. Stay of procurements during the protest.
- Sec. 1-81. Confidential information.
- Sec. 1-82. Decision by the Chief Procurement Officer.
- Sec. 1-83. Remedies.
- Sec. 1-84. Appeals to the Fire Chief.
- Sec. 1-85. Notice of appeal.
- Sec. 1-86. Stay of procurement during appeal.
- Sec. 1-87. Contract procurement officer report.
- Sec. 1-88. Dismissal by the Fire Chief.
- Sec. 1-89. Remedies.
- Sec. 1-90. Filing of a contract claim.
- Sec. 1-91. Chief Procurement Officer's decision.
- Sec. 1-92. Issuance of timely decision.
- Sec. 1-93. Appeals to the Fire Chief.
- Sec. 1-94. Fire Authority claims against a contractor.
- Sec. 1-95. Mediation.
- Sec. 1-96. Arbitration.
- Sec. 1-97. Final decision by the Fire Chief.
- Sec. 1-98. Judicial review of protests or claims.
- Sec. 1-99. Exclusive remedy.
- Secs. 1-100--1-115. Reserved.

Article X. Cooperative Purchasing

- Sec. 1-116. Definitions.

Sec. 1-117. Applicability.

Sec. 1-118. Cooperative purchasing agreements required.

Sec. 1-119. Cooperative purchasing authorized.

Secs. 1-120, 1-121. Reserved.

Article XI. Reserved

Secs. 1-122--1-126. Reserved.

Article XII. Ethics in Public Contracting

Sec. 1-127. Procurement Ethics Standards

Secs. 1-128--1-130. Reserved.

ARTICLE I. GENERAL PROVISIONS

Purpose

The purpose of the Orange County Fire Authority Procurement Code is to:

- (a) Simplify, clarify, centralize, and modernize the Fire Authority's rules and regulations governing procurement.
- (b) Permit the continued development of best value procurement policies and practices.
- (c) Provide for increased public confidence in the procurement procedures followed by the Fire Authority.
- (d) Ensure the fair and equitable treatment of all persons who deal with the procurement system of the Fire Authority.
- (e) Provide increased economy in Fire Authority procurement activities and maximize, to the fullest extent practicable, the purchasing value of public monies of the Fire Authority, and foster effective broad-based competition within the free enterprise system.
- (f) Provide safeguards for the maintenance of a procurement system of quality and integrity.
- (g) Obtain in a cost-effective and timely manner the materials, services, and construction required by the Fire Authority to better serve its citizens.

Sec. 1-1. General Law.

Pursuant to and to the extent required by Government Code Section 6509, the Orange County Fire Authority shall be restricted in the exercises of its powers in the same manner as is a general law city in accordance with the joint power agreement formed as of February 3, 1995, and as subsequently amended.

Sec. 1-2. Applicability.

Sec. 1-2(1). The provisions of this code shall apply to the following:

- (a) Every expenditure of public monies by the Fire Authority irrespective of their source, including State and Federal assistance monies, for the procurement of materials, services, and public projects;
- (b) Disposal of property; and
- (c) Contracts where there is no expenditure of public monies or where the Fire Authority is offering something of value to the business community when the Fire Authority determines source selection and award of a contract.

Sec. 1-2(2). The following are exempt from the provisions of this code:

- (a) Grants awarded by the Fire Authority and approved by the Board of Directors;
- (b) The purchase, sale or lease of Fire Authority real property;
- (c) Contracts for professional witnesses if the purpose of such contracts is to provide for services or testimony relating to an existing or probable judicial proceeding in which the Fire Authority

is or may become a party to, and contracts for special investigative services for law enforcement purposes;

(d) Agreements negotiated by the Fire Authority in settlement of litigation or threatened litigation; or

(e) Contracts with other governmental agencies.

Sec. 1-3. Definitions.

In this code, unless the context otherwise requires:

Sec. 1-3(1). "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.

Sec. 1-3(2). "Change order" means a written document authorized by the Chief Procurement Officer which directs the contractor to make changes with or without the consent of the contractor.

Sec. 1-3(3). "Chief Procurement Officer" means the official appointed by the Fire Chief as the purchasing and materials manager and the central procurement and contracting authority for the Fire Authority.

Sec. 1-3(4). "Contract" means all types of Fire Authority agreements, regardless of what they may be called, for the procurement of materials, maintenance, services, public works, construction or the disposal of materials.

Sec. 1-3(5). "Construction" means the process of building, reconstructing, erecting, altering, renovating, improving, demolishing, or repairing any Fire Authority owned, leased, or operated facility. Construction does not include maintenance work, which is defined to include routine, recurring, and usual work for the preservation or protection of any Fire Authority owned or operated facility for its intended purposes.

Sec. 1-3(7). "Contract officer" means any person duly authorized by the Chief Procurement Officer to facilitate the source selection process, including but not limited to; preparing solicitations and written determinations, conducting negotiations, making award recommendations, and administering contracts.

Sec. 1-3(8). "Contractor" or "Consultant" means any person who has a procurement contract with the Fire Authority.

Sec. 1-3(9). "Days", unless otherwise specified, means calendar days and shall be computed by excluding the first day and including the last working day, unless the last day is a holiday, and then it is also excluded.

Sec. 1-3(10). "Department" means the Purchasing Section of the Business Services Department.

Sec. 1-3(11). "Designee" means a duly authorized representative of the Chief Procurement Officer, designated by the Chief Procurement Officer.

Sec. 1-3(12). "Disposal of material" means sale of surplus property by public auction, including online electronic auction, competitive sealed bidding, small purchase procedures, recycling, or other appropriate method designated by this code.

Sec. 1-3(13). "Electronic" means electrical, digital, magnetic, optical, electromagnetic, or any other

similar technology.

Sec. 1-3(14). "Emergency" 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.

Sec. 1-3(15). "Executive Committee" means the Executive Committee of the Orange County Fire Authority Board of Directors.

Sec. 1-3(16). "Fire Authority" means the Orange County Fire Authority.

Sec. 1-3(17). "Grant" means the furnishing of assistance, whether financial or otherwise, to any person to support a program authorized by law. Grant does not include an agreement whose primary purpose is to procure a specific end product, whether in the form of materials, services or construction. A contract resulting from such an agreement is not a grant but a procurement contract.

Sec. 1-3(18). "Materials" means all property, including but not limited to, equipment, supplies, printing, insurance and buildings but does not include land, a permanent interest in land or leases of real property.

Sec. 1-3(19). "Person" means any corporation, consultant, business, individual, union, committee, club, other organization or group of individuals.

Sec. 1-3(20). "Procurement" means buying, purchasing, renting, leasing, or otherwise acquiring any materials, services, or construction. Procurement also includes all functions that pertain to the acquisition of any material, service, or construction including but not limited to, description of requirements, selection and solicitation of sources, preparation, negotiation and, award of contract, and all phases of contract administration.

Sec. 1-3(21). "Professional service" means a unique, technical function performed by an independent contractor or firm qualified by education, experience, and/or technical ability to provide services and may include consulting, marketing analysis, banking services, auditing, software development/design, and editing services.

Sec. 1-3(22). "Public notice" means the distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods may include electronic mailing lists and a website maintained for that purpose.

Sec. 1-3(23). "Services" means the furnishing of labor, time or effort by a contractor, consultant, subcontractor or sub-consultant which does not involve the delivery of a specific end product other than required design documents or reports and performance. Services do not include employment agreements or collective bargaining agreements. The definition of services includes, but is not limited to: consulting, personal, professional, legal counsel, auditing, technical, professional design and construction services.

Sec. 1-3(24). "Sole Source" means 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.

Sec. 1-3(25). "Subcontractor or subconsultant" means a person who contracts to perform work or render service to a contractor or consultant as defined by this section or to another subcontractor or subconsultant as a part of a contract with the Fire Authority.

Sec. 1-3(26). "Written or in writing" means the product of any method for forming characters on paper or other material or viewable screen, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

Sec. 1-3(27). "Using department" means any organizational unit of the Fire Authority, which utilizes any materials, services or construction procured under this code.

Sec. 1-4. Supplementary general principles of law applicable.

Unless displaced by the particular provisions of this code, the principles of law and equity, including the uniform commercial code of this state, the common law of contracts as applied in this state and law relative to agency, fraud, misrepresentation, duress, coercion and mistake supplement the provisions of this code.

Sec. 1-5. Requirement of good faith.

This code requires all parties involved in the negotiation, performance, or administration of Fire Authority contracts to act in good faith.

Sec. 1-6. Confidential information.

All bids, proposals, offers, specifications, or protests submitted to the Fire Authority are subject to public inspection and disclosure under the California Public Records Act (Government Code Section 6250 et seq.). If a person believes that any portion of its bid, proposal, offer, specifications or protest is exempt from public disclosure, such portion may be marked "confidential." Except as required by law or court order, the Fire Authority will use reasonable means to ensure that such confidential information is safeguarded.

Secs. 1-7--1-10. Reserved.

ARTICLE II. CHIEF PROCUREMENT OFFICER AUTHORITY

Sec. 1-11. Authority of the Chief Procurement Officer.

Sec. 1-11(1). Except as otherwise provided in this code, the Chief Procurement Officer may adopt operational procedures consistent with this code governing the procurement and management of all materials, services, and construction to be procured by the Fire Authority and the disposal of materials.

Sec. 1-11(2). The Chief Procurement Officer shall serve as the central procurement and contracting authority of the Fire Authority.

Sec. 1-11(3). Except as otherwise provided in this code, the Chief Procurement Officer shall:

- (a) Procure or supervise the procurement of all materials, services and construction needed by the Fire Authority and establish the methods and procedures necessary for the proper, efficient, and economical functioning of the procurement program.
- (b) Establish guidelines for the management of all inventories of materials belonging to the Fire Authority.
- (c) Sell, trade or otherwise dispose of surplus materials belonging to the Fire Authority in accordance with the provisions of Section 1-69.

- (d) Prepare, issue, revise, maintain, and monitor the use of specifications for materials, services and construction required by the Fire Authority.
- (e) Manage the Fire Authority's procurement card (pCard) program.
- (f) Furnish the Board of Directors with such reports and information as the Board may require.

Sec. 1-11(4). The Chief Procurement Officer may delegate procurement authority to designees or to any using department or official of the Fire Authority.

Sec. 1-11(5). The Chief Procurement Officer may determine in writing that noncompliance with any provision of this code is not substantial and may allow for correction or may waive minor informalities or irregularities. The basis for the decision shall be included in the determination.

Sec. 1-11(6). The Chief Procurement Officer, in accordance with this code, shall have the authority to award contracts not exceeding the amount defined under management authority in the Roles and Responsibilities Matrix. Contracts exceeding management authority shall be executed by the Chief Procurement Officer upon approval by the Executive Committee or the Board of Directors.

Sec. 1-11(7). Except in cases of emergency, pursuant to Section 1-22, or where the Board of Directors or the Executive Committee has retained authority, no purchase of services, supplies and equipment by any person other than the Chief Procurement Officer or designee shall be binding upon the Fire Authority or constitute lawful charge against Fire Authority funds.

Sec. 1-12. Written determinations.

Written determinations required by this code shall be retained in the department.

Secs. 1-13, 1-14. Reserved.

ARTICLE III. SOURCE SELECTION AND CONTRACT FORMATION

Sec. 1-15. Definitions.

In this article, unless the context otherwise requires:

Sec. 1-15(1). "Best value" means a method in the competitive sealed proposal process which permits the evaluation of criteria to determine the best overall value to the Fire Authority.

Sec. 1-15(2). "Discussions" means communication with an offeror, bidder or respondent for the purpose of:

- (a) Eliminating minor irregularities, informalities, or apparent clerical mistakes in the offer or response;
- (b) Clarifying any offer or response to assure full understanding of, and responsiveness to, solicitation requirements;
- (c) Resolving minor variations in contract terms and conditions; or
- (d) Establishing the competency or financial stability of any offeror, bidder or respondent.

Sec. 1-15(3). "Invitation for bid" means all documents, written or electronic, whether attached or

incorporated by reference, which are used for soliciting bids in accordance with the procedures prescribed in Section 1-17.

Sec. 1-15(4). "Minor informalities or irregularities" means mistakes, or non-judgmental errors, that have negligible effect on price, quantity, quality, delivery, or other contractual terms whereby the waiver or correction of such mistakes does not prejudice other bidders, offerors or respondents.

Sec. 1-15(5). "Negotiations" means an exchange of information or any form of cooperation during which the offeror and the Fire Authority may alter or otherwise change the conditions, terms, and price, unless prohibited, of the proposed contract.

Sec. 1-15(6). "Registered supplier" means a supplier, vendor, or contractor that that has registered as an interested party to do business with the Fire Authority.

Sec. 1-15(7). "Request for proposals" means all documents, written or electronic, whether attached or incorporated by reference, which are used for soliciting proposals in accordance with procedures prescribed in Section 1-18.

Sec. 1-15(8). "Request for qualifications" means all documents, written or electronic, whether attached or incorporated by reference, which are used for soliciting responses from qualified respondents in accordance with Article V.

Sec. 1-15(9). "Responsible bidder, offeror, or respondent" means a person who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the procurement contract.

Sec. 1-15(10). "Responsive bidder" means a person who submits a bid which conforms in all material respects to a solicitation.

Sec. 1-15(11). "Solicitation" means an invitation for bids, a request for technical proposals, a request for proposals, a request for qualifications, a request for quotations, or any other invitation or request by which the Fire Authority invites a person to participate in a procurement.

Sec. 1-16. Methods of source selection.

All contracts of the Fire Authority shall be awarded by one of the methods of source selection specified in this code.

Sec. 1-17. Competitive sealed bidding.

Sec. 1-17(1). Invitation for bids.

- (a) Competitive sealed bids shall be solicited through an invitation for bids. The invitation for bids shall include specifications and any applicable evaluation criteria. Contractual terms and conditions may be included within the solicitation document or incorporated by reference.
- (b) A prequalification process may be conducted prior to the issuance of an invitation for bids in order to establish a list of qualified bidders. In the event a prequalification process is used, the contract officer shall only consider bids that are submitted from prequalified bidders.

Sec. 1-17(2). Public notice. Notice of the invitation for bids shall be electronically posted and the invitation for bids shall be available for public inspection not less than fourteen (14) days prior to the date set forth therein for the opening of bids. A shorter time may be deemed necessary for a particular procurement as determined in writing by the Chief Procurement Officer. The public notice

shall state the place, date, and time of bid opening.

Sec. 1-17(3). Pre-bid conference. The Chief Procurement Officer may conduct a pre-bid conference. If a pre-bid conference is conducted, it shall be not less than seven days before the bid due date and time, unless the Chief Procurement Officer makes a written determination that the specific needs of the procurement justify a shorter time.

Sec. 1-17(4). Solicitation amendment. The Chief Procurement Officer shall issue a solicitation amendment to do any or all of the following:

- (a) Make a correction in the solicitation;
- (b) Correct defects or ambiguities;
- (c) Provide additional information or instructions; or
- (d) Extend the offer due date and time if the Chief Procurement Officer determines that an extension is in the best interest of the Fire Authority.

If a solicitation is changed by a solicitation amendment, the Chief Procurement Officer shall post the amendment electronically and notify registered suppliers. It is the responsibility of the offeror to obtain any solicitation amendments and acknowledge receipt of amendment as specified in the solicitation amendment.

Sec. 1-17(5). Late bids. A bid is late if it is received at the location designated in the invitation for bids after the time and date set for bid opening. A late bid shall be rejected. Bidders submitting bids that are rejected as late shall be so notified.

Sec. 1-17(6). Bid opening. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. A secure web-based system or other appropriate media may be used in lieu of public bid opening, provided that the accuracy, confidentiality, and reliability is maintained. The name of each bidder and the amount of each bid, as well as other relevant information as the Chief Procurement Officer deems appropriate shall be recorded. Unless otherwise determined by the Chief Procurement Officer, this record shall be open to public inspection. In the event no attendees are present for bid opening, the sealed bids shall be opened by the department and a "bid" or "no bid" may be recorded on the tabulation. The bids shall not be available for public inspection until after a contract is awarded. After a notice of intent to award is issued or, in the absence of a notice of intent to award, after final execution of the contract, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1-6.

Sec. 1-17(7). Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this code. Bids shall be evaluated based on the requirements set forth in the invitations for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The invitation for bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the invitation for bids.

Sec. 1-17(8). Correction or withdrawal of bids; cancellation of awards. Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written notice received by the department prior to the time set for bid opening.

Mistakes discovered after bid opening may be modified or withdrawn only to the extent that the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. After bid opening, no changes in bid prices or other bid provisions prejudicial to the interest of the Fire Authority or fair competition shall be permitted. In lieu of bid correction, a bidder alleging a mistake may be permitted to withdraw its bid if:

- (a) The mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident; or
- (b) The bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.

All decisions to permit the correction or withdrawal of bids, or to cancel awards based on bid mistakes, shall be supported by a written determination made by the Chief Procurement Officer.

Sec. 1-17(9). Contract award.

- (a) *General.* The contract shall be awarded by appropriate notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids.
- (b) *Public record.* After the Fire Authority issues a notice of intent to award, or in the absence of a notice of intent to award upon final contract execution, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1-6.
- (c) *Encumbrance of funds.* Except in cases of emergency, or in cases where specific authority has been first obtained from the Fire Chief, the Chief Procurement Officer shall not issue any purchase orders for supplies or equipment unless there exists an unencumbered appropriation in the fund account against which said purchase is to be charged. All purchases, regardless of encumbrances, shall be made in conformance with the policies established by this code.
- (d) *Procurement of recycled material.* Recycled products shall be used whenever practicable when they are of comparable quality, of equivalent price and appropriate for the intended use. Recycled products shall be procured in accordance with Public Contract Code, Section 22150, et seq.

Sec. 1-17(10). Low tie bids. If there are two (2) or more low responsive bids from responsible bidders that are identical in price and other evaluation criteria and that meet all the requirements and criteria set forth in the invitation for bids, award may be made by random selection in a manner prescribed by the Chief Procurement Officer.

Sec. 1-18. Competitive sealed proposals.

Sec. 1-18(1). Request for proposals.

- (a) Competitive sealed proposals shall be solicited through a request for proposals. The request for proposals shall include a scope of work and any applicable evaluation criteria. Contractual terms and conditions may be included within the solicitation document or incorporated by reference.

- (b) A prequalification process may be conducted prior to the issuance of a request for proposals in order to establish a list of qualified offerors. In the event a prequalification process is used, the contract officer shall only consider proposals that are submitted from prequalified offerors.

Sec. 1-18(2). Public notice. Adequate public notice of the request for proposals shall be given in the same manner as provided in Section 1-17(2).

Sec. 1-18(3). Pre-proposal conference. The Chief Procurement Officer may conduct a pre-proposal conference. If a pre-proposal conference is conducted, it shall be not less than seven days before the offer due date and time, unless the Chief Procurement Officer makes a written determination that the specific needs of the procurement justify a shorter time.

Sec. 1-18(4). Solicitation amendment. Solicitation amendments shall be handled in the same manner as provided in Section 1-17(4).

Sec. 1-18(5). Late proposals. A proposal is late if it is received at the location designated in the request for proposals after the time and date set for receipt of proposals. Late proposals shall be rejected in accordance with Section 1-17(5).

Sec. 1-18(6). Receipt of proposals. Proposals shall not be opened publicly. No proposals shall be handled as to permit disclosure of the contents of any proposal to competing offerors. Proposals shall be open for public inspection after final execution of the contract, except to the extent that the withholding of information is permitted or required by law. If the offeror designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1-6.

Sec. 1-18(7). Evaluation of proposals.

- (a) *Evaluation criteria.* The request for proposals shall state the criteria to be used in the evaluation of the proposals and shall include their relative importance. Specific numerical weighting is not required.
- (b) *Selection committee.* The Chief Procurement Officer shall appoint a selection committee to evaluate the proposals and make a recommendation based on the criteria set forth in the request for proposals. No other factors or criteria may be used in the evaluation.

Sec. 1-18(8). Discussion with offerors. Discussions may be conducted with offerors.

Sec. 1-18(9). Negotiations with offerors and revisions to proposals. Negotiations may be conducted with offerors. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors.

- (a) *Concurrent negotiations.* Negotiations may be conducted concurrently with offerors for the purpose of determining source selection and/or contract award.
- (b) *Exclusive negotiations.* Exclusive negotiations may be conducted with the offeror whose proposal is determined in the source selection process to be most advantageous to the Fire Authority. Exclusive negotiations may be conducted subsequent to concurrent negotiations or may be conducted without requiring previous concurrent negotiations. Exclusive negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. If exclusive negotiations are conducted and an agreement is not reached, the Fire

Authority may enter into exclusive negotiations with the next highest ranked offeror without the need to repeat the formal solicitation process.

Sec. 1-18(10). Contract award. Contract award shall be made by the Chief Procurement Officer to the responsible offeror whose proposal is determined in writing to be the most advantageous to the Fire Authority taking into consideration the evaluation criteria set forth in the request for proposals. The contract file shall contain the basis on which the award is made.

Sec. 1-19. Contracting for legal counsel.

Sec. 1-19(1). Authority. For the purpose of procuring the services of legal counsel, as defined by the laws of the state, contracts for the services of legal counsel shall be awarded with the authorization of the Board of Directors or the Executive Committee except as otherwise provided by law.

Sec. 1-19(2). Conditions for use. Unless determined by the Board of Directors or the Executive Committee that direct selection is in the best interest of the Fire Authority, the services of legal counsel shall be procured in accordance with this code.

Sec. 1-20. Small purchases.

Sec. 1-20(1). General. Any contract for the purchase of supplies, equipment and services (including maintenance) not exceeding fifty thousand dollars (\$50,000.00) may be made by the Chief Procurement Officer in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section.

Sec. 1-20(2). Small purchases over ten thousand dollars (\$10,000.00). Insofar as it is practical for small purchases in excess of ten thousand dollars (\$10,000.00) but less than fifty thousand dollars (\$50,000.00), no less than three (3) businesses shall be solicited to submit quotations. Award shall be made to the responsible bidder submitting the quotation which is most advantageous to the Fire Authority and conforms in all material respects to the solicitation. The names of the businesses submitting quotations, and the date and amount of each quotation, shall be maintained as a public record. Nothing herein contained, however, shall preclude the Fire Authority from utilizing more restrictive procedures if, and when required by federal or state law, where federal or state funds are involved in the contract to be awarded or when the Chief Procurement Officer determines it is in the best interest of the Fire Authority to do so.

Sec. 1-20(3). Small purchases less than ten thousand dollars (\$10,000.00). The Chief Procurement Officer shall adopt operational procedures for making small purchases of ten thousand dollars (\$10,000.00) or less.

Sec. 1-21. Sole source procurement.

Notwithstanding any other provisions of this code, a contract may be awarded without competition when the Chief Procurement Officer determines in writing, after conducting a good faith review of available sources, that there is only one source for the required material, service, or construction item. The using department requesting a sole source procurement shall provide written evidence to support a sole source determination. The Chief Procurement Officer may require that negotiations are conducted as to price, delivery, and terms. The Chief Procurement Officer may require the submission of cost or pricing data in connection with an award under this section. Sole source procurements exceeding the amount defined in the roles and responsibilities matrix shall be executed by the Chief Procurement Officer upon approval by the Executive Committee or Board of Directors. Sole source procurement shall be avoided, except when no reasonable alternative sources exist. A record of sole source procurements shall be maintained as a

public record.

Sec. 1-22. Emergency procurements.

Notwithstanding any other provisions of this code, the Fire Chief may make or authorize others to make emergency procurements of materials, services, or construction when there exists a threat to public health, welfare, or safety or if a situation exists which makes compliance with Sections 1-17, 1-18, 1-49, or 1-50 contrary to the public interest; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. The using department requesting an emergency procurement shall provide written evidence to support an emergency determination. An emergency procurement shall be limited to those materials, services, or construction necessary to satisfy the emergency need. Emergency procurements exceeding the amount defined in the roles and responsibilities matrix shall be executed by the Chief Procurement Officer upon approval by the Chair or Vice Chair of the Board of Directors. A written determination of the basis for the emergency and for the selection of the particular contractor shall be maintained as a public record.

Sec. 1-23. Special procurements.

Notwithstanding any other provisions of this code, the Executive Committee or the Board of Directors may authorize procurements above the small purchase amount specified in Section 1-20 for supplies, equipment or services (including maintenance) when, due to unusual or special circumstances, it would be in the best interest of the Fire Authority to accomplish the procurement without compliance with Sections 1-17 (competitive sealed bidding), 1-18 (competitive sealed proposals), or 1-51 (procurement of professional design services). This is not applicable to the procurement of construction services (Section 1-50). The using department requesting a special procurement shall provide written evidence to support a special procurement determination. Any special procurement under this section shall be limited to those materials, equipment or services, necessary to satisfy the Fire Authority's need and shall be made with sound fiscal discretion. A written determination by the Chief Procurement Officer of the basis for the special procurement and for the selection of the particular contractor shall be maintained as public record. The determination and the award shall be made in accordance with internal departmental procedures ensuring that the procurement is fair, honest, prudent, and a wise exercise of discretion and is in the public interest.

Sec. 1-24. Cancellation of solicitations.

Sec. 1-24(1). Cancellation of solicitations. An invitation for bids, a request for proposals, a request for qualifications, or other solicitation may be cancelled, or any or all bids, proposals or statements of qualifications may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interest of the Fire Authority.

Sec. 1-24(2). Prior to opening.

- (a) As used in this section, "opening" means the date and time set for opening of bids, receipt of statements of qualifications or receipt of proposals in competitive sealed proposals.
- (b) Prior to opening, a solicitation may be cancelled in whole or in part when the Chief Procurement Officer determines in writing that such action is in the Fire Authority's best interest for reasons including but not limited to:
 - i. The Fire Authority no longer requires the materials, services, or construction;
 - ii. The Fire Authority no longer can reasonably expect to fund the procurement; or
 - iii. Proposed amendments to the solicitation would be of such magnitude that a new solicitation is in the best interest of the Fire Authority.

- (c) When a solicitation is cancelled prior to opening, notice of cancellation shall be publicly posted.
- (d) The notice of cancellation shall:
 - i. Identify the solicitation;
 - ii. Briefly explain the reason for cancellation; and
 - iii. Where appropriate, explain that an opportunity will be given to compete on any re-solicitation or any future procurements of similar materials, services, or construction.

Sec. 1-24(3). After opening.

- (a) After opening but prior to award, all bids, proposals or statements of qualifications may be rejected in whole or in part when the Chief Procurement Officer determines in writing that such action is in the Fire Authority's best interest for reasons including but not limited to:
 - i. The Fire Authority no longer requires the materials, services or construction;
 - ii. Ambiguous or otherwise inadequate specifications or scopes of work were part of the solicitation;
 - iii. The solicitation did not provide for consideration of all factors of significance to the Fire Authority;
 - iv. Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 - v. All otherwise acceptable bids, statements of qualifications or proposals received are at clearly unreasonable prices;
 - vi. There is reason to believe that the bids, statements of qualifications or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or
 - vii. Competition was insufficient.
- (b) A notice of rejection shall be sent to all persons that submitted bids, statements of qualifications or proposals, and it shall conform to subsection 1-24(2) (d) of this section.
- (c) If all bids, proposals or request for qualifications are rejected, all bids, proposals or statements received shall remain, to the extent possible, confidential.

Sec. 1-24(4). Documentation. The reasons for cancellation or rejection shall be made a part of the procurement file and shall be available for public inspection.

Sec. 1-25. Rejection of individual bids, proposals, quotations or statements of qualifications.

- (a) A bid may be rejected if:
 - i. The bidder is determined to be non-responsible pursuant to Section 1-26;
 - ii. The bid is nonresponsive in accordance with Section 1-17; or
 - iii. It is otherwise not advantageous to the Fire Authority.

(b) A proposal, statement of qualifications, or quotation may be rejected if:

- i. The person responding to the solicitation is determined to be non-responsible pursuant to Section 1-26; or
- ii. The proposal is incomplete, nonresponsive to solicitation requirements; or
- iii. The proposed price exceeds available funds or is unreasonable; or
- iv. It is otherwise not advantageous to the Fire Authority.

(c) The reasons for rejection shall be made a part of the procurement file and shall be available for public inspection.

Sec. 1-26. Responsibility of bidders, offerors and respondents.

Sec. 1-26(1). Findings of non-responsibility. If a bidder, offeror or respondent who otherwise would have been awarded a contract is found non-responsible, a written finding of non-responsibility, setting forth the basis of the finding, shall be prepared by the contract officer. The unreasonable failure of a bidder, offeror or respondent to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a finding of non-responsibility with respect to such bidder or offeror. The written finding shall be made part of the contract file and be made a public record.

Sec. 1-26(2). Right of nondisclosure. Except as required by law or court order, confidential information furnished by a bidder, offeror or respondent pursuant to this section shall not be disclosed by the Fire Authority outside of the agency, or using department, without prior written consent by the bidder, offeror or respondent.

Sec. 1-26(3). Factors. Factors to be considered in determining if a prospective contractor is responsible include:

- (a) The proposed contractor's financial, physical, personnel or other resources, including subcontracts;
- (b) The proposed contractor's record of performance and integrity;
- (c) Whether the proposed contractor is qualified legally to contract with the Fire Authority; and
- (d) Whether the proposed contractor supplied all necessary information concerning its responsibility.

Sec. 1-26(4). Responsibility criteria. The contract officer may establish specific responsibility criteria for a particular procurement. Any specific responsibility criteria shall be set forth in the solicitation.

Sec. 1-27. Bid and contract security, material or service contracts.

The Chief Procurement Officer may require the submission of security to guarantee faithful bid and contract performance. In determining the amount and type of security required for each contract, the Chief Procurement Officer shall consider the nature of the performance and the need for future protection to the Fire Authority. The requirement for security must be included in the invitation for bids, invitation for reverse auction bids or request for proposals. Failure to submit security in the amount and type of security required may result in the rejection of the bid or proposal.

Sec. 1-28. Types of contracts.

Subject to the limitations of this code, any type of contract which will promote the best interests of the Fire Authority may be used.

Sec. 1-29. Approval of accounting system.

The Chief Procurement Officer may require that the proposed contractor's accounting system is adequate to allocate costs in accordance with generally accepted cost accounting principles prior to award of a contract.

Sec. 1-30. Multi-year contracts.

Unless otherwise provided by law, a contract for materials, services or construction may be entered into for any period of time deemed to be in the best interest of the Fire Authority, if the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods are subject to the availability and appropriation of monies.

Sec. 1-31. Right to inspect.

The Fire Authority may, at reasonable times, inspect the part of the plant or place of business of a contractor, consultant or any subcontractor or sub-consultant that is related to the performance of any contract awarded or to be awarded by the Fire Authority.

Sec. 1-32. Right to audit records.

Sec. 1-32(1). The Fire Authority may, at reasonable times and places, audit the books and records of any person who submits cost or pricing data as provided in Article VII of this code to the extent that the books and records relate to the cost or pricing data. Any person who is awarded a contract, change order or contract modification for which cost or pricing data is required shall maintain the books and records that relate to the cost or pricing data for three (3) years from the date of final payment under the contract, unless otherwise specified in the contract.

Sec. 1-32(2). The Fire Authority is entitled to audit the books and records of a contractor, consultant or any subcontractor or sub-consultant under any contract or subcontract to the extent that the books and records relate to the performance of the contract or subcontract. The books and records shall be maintained by the contractor for a period of three (3) years from the date of final payment under the prime contract or consultant, and by the subcontractor or sub-consultant for a period of three (3) years from the date of final payment under the subcontract, unless otherwise specified in the contract.

Sec. 1-33. Reporting of anticompetitive practices.

If for any reason collusion or other anticompetitive practices are suspected among any bidders, offerors or respondents a notice of the relevant facts shall be transmitted to the Chief Procurement Officer. This section does not require a law enforcement agency conducting an investigation into such practices to convey such notice to the Chief Procurement Officer.

Sec. 1-34. Prospective vendors lists.

Sec. 1-35(1). The Chief Procurement Officer shall maintain a prospective vendors list. Inclusion of the name of a person shall not indicate whether the person is responsible concerning a particular procurement or otherwise capable of successfully performing a Fire Authority contract.

Sec. 1-35(2). Persons desiring to be included on the prospective vendors list may register with the department electronically. The department may remove a person from the prospective vendors list if it is determined that inclusion is not advantageous to the Fire Authority.

Sec. 1-35(3). It shall be the vendor's sole responsibility to ensure that vendor registration information is current and active.

Sec. 1-35. Contract form and execution.

All contracts entered into under this code not exceeding the amount established by Section 1-11(6) shall be executed in the name of the Fire Authority by the Chief Procurement Officer. Contracts entered into under this code exceeding the amount established by Section 1-11(6) approved by the Executive Committee shall be executed by the Fire Chief, approved as to form by the General Counsel to the Fire Authority and countersigned by the Clerk of the Authority.

Sec. 1-36. Assignment of rights and duties.

The Chief Procurement Officer shall have the rights and duties of the Fire Authority to contract for the purchase of all services, supplies, equipment and other personal property required by the Fire Authority in accordance with the code and all policies and procedures adopted by the Board of Directors, and administrative procedures approved by the Fire Chief, or as otherwise provided by law. Except in cases where the Board of Directors or the Executive Committee has retained authority, the purchase of services, supplies and equipment are not transferable or otherwise assignable without the written consent of the Chief Procurement Officer.

Sec. 1-37--1-40. Reserved.

ARTICLE IV. SPECIFICATIONS

Sec. 1-41. Definition.

As used in this article, "specification" is used interchangeably with "scope", "scope of services", or "scope of work" and means any description of the physical or functional characteristics, or of the nature of a material, service or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service, or construction item for delivery.

Sec. 1-42. Maximum practicable competition.

Sec. 1-42(1). All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the Fire Authority's needs and shall not be unduly restrictive.

Sec. 1-42(2). To the extent practicable and unless otherwise permitted by this code, all specifications shall describe the Fire Authority's requirements in a manner that does not unnecessarily exclude a material, service, or construction item.

Sec. 1-42(3). Restrictive specifications shall not be used unless such specifications are required and it is not practicable or advantageous to use a less restrictive specification. The using department requesting a restrictive specification shall provide written evidence to support the restrictive specification. Past success in the material's performance, traditional purchasing practices, or inconvenience of drawing specifications do not justify the use of restrictive specifications.

Sec. 1-42(4). To the extent practicable, the Fire Authority shall use accepted commercial specifications and shall procure standard commercial materials.

Sec. 1-43. Specifications prepared by other than Fire Authority personnel.

The requirements of this code regarding the purposes and non-restrictiveness of specifications shall apply to all specifications prepared other than by Fire Authority personnel, including, but not limited to, those prepared by architects, engineers, designers, and consultants for public contracts, or subcontractors. No person preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.

Sec. 1-44. Brand name or equal specification.

A brand name or equal specification may be used to describe the standards of quality, performance, and other characteristics needed to meet the requirements of a solicitation, and which invites offers for equivalent products from a manufacturer.

Sec. 1-45. Brand name specification.

A brand name specification may be used to identify the sole acceptable item that meets the Fire Authority's needs. The using department requesting a brand name specification shall provide written evidence to support a brand name determination. A written determination by the Chief Procurement Officer of the basis for the brand name shall be maintained as public record. Past success in the material's performance, traditional purchasing practices, or inconvenience of drawing specifications do not justify the use of a brand name specification.

Sec. 1-46. Reserved.

**ARTICLE V.
PROCUREMENT OF PUBLIC WORKS PROJECTS AND
PROFESSIONAL DESIGN SERVICES**

Sec. 1-47. Definitions.

In this article, unless the context otherwise requires:

Sec. 1-47(1). "Capital improvement" means an outlay of funds for the acquisition or improvement of real property, which extends the life or increases the productivity of the real property.

Sec. 1-47(2). "Contractor" shall mean any corporation, partnership, individual, sole proprietorship, joint venture or other legal entity which enters into a contract to sell commodities, services, or construction services to the Fire Authority.

Sec. 1-47(4). "Construction project management" means those services provided by a licensed architect, registered engineer, or licensed general contractor.

Sec. 1-47(5). "Construction services" means either of the following for construction- manager-at-risk, and design-build project delivery methods:

- (a) Construction, excluding services, through the construction-manager-at-risk project delivery methods.
- (b) A combination of construction and, as elected by the Fire Authority, one or more related services, such as finance services, maintenance services, operations services, design services and preconstruction services, as those services are authorized in the definitions of construction- manager-at-risk, and design-build in this section.

Sec. 1-47(6). "Construction-manager-at-risk" means a project delivery method in which:

- (a) There is a separate contract for design services and a separate contract for construction services.
- (b) The contract for construction services may be entered into at the same time as the contract for design services or at a later time.

- (c) Design and construction of the project may be in sequential phases or concurrent phases.
- (d) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Sec. 1-47(7). "Cost" means the aggregate cost of all materials and services, including labor performed by force account.

Sec. 1-47(8). "Design-bid-build" means a project delivery method in which:

- (a) There is a sequential award of two (2) separate contracts.
- (b) The first contract is for design services.
- (c) The second contract is for construction.
- (d) Design and construction of the project are in sequential phases.
- (e) Finance services, maintenance services and operations services are not included.

Sec. 1-47(9). "Design-build" means a project delivery method in which:

- (a) There is a single contract for design services and construction services.
- (b) Design and construction of the project may be in sequential phases or concurrent phases.
- (c) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Sec. 1-47(10). "Design professional" means an architect or engineer, or both, duly licensed for professional practice, who may be employed by an owner for the purpose of designing a project.

Sec. 1-47(11). "Emergency for Public Projects" shall have the meaning provided in Public Contract Code Sections 22035 and 22050.

Sec. 1-47(12). "Facility" means any plant, building, structure, ground facility, real property, street, highway or other public work improvement.

Sec. 1-47(13). "Firm" means any individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the profession of architecture, landscape architecture, engineering, environmental services, land surveying, or construction project management.

Sec. 1-47(14). "Finance services" means financing for a construction services project.

Sec. 1-47(15). "Force account" means work performed on public projects by the Fire Authority's regularly employed personnel.

Sec. 1-47(16). "Maintenance work" shall have the meaning provided in Public Contract Code Section 22002(d), as that section may be amended from time to time, and shall include the following:

- (a) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.

- (b) Minor repainting.
- (c) Resurfacing of streets and highways at less than one inch.
- (d) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

Sec. 1-47(17). "Preconstruction services" means advice during the design phase.

Sec. 1-47(18). "Professional design services" means architect services, engineering services, geologist services, landscape architect services, and land surveying service or any combination of those services that are legally required to be accomplished, reviewed, and approved by professionals registered to practice in the pertaining discipline in the State of California.

Sec. 1-47(19). "Professional engineer" refers to a person engaged in the professional practice of rendering service or creative work requiring education, training and experience in engineering sciences and the application of special knowledge of the mathematical, physical and engineering sciences in such professional or creative work as consultation, investigation, evaluation, planning or design of public or private utilities, structures, machines processes, circuits, buildings, equipment or projects, and supervision of construction for the purpose of securing compliance with specifications and design for any such work.

Sec. 1-47(20). "Public project" shall have the meaning provided in Public Contract Code Section 22002(c), as that section may be amended from time to time, and shall include the following:

- (a) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
- (b) Painting or repainting of any publicly owned, leased, or operated facility.
- (c) *"Public project"* does not include maintenance work.

Sec. 1-47(21). "Public works contract" means an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

Sec. 1-47(22). "Solicitation" shall mean an invitation for bids, request for quotations, request for qualifications, or request for proposals issued by the Fire Authority for the purpose of requesting bids, quotes or proposals to perform a contract.

Sec. 1-47(23) "Uniform Public Construction Cost Accounting Act" is an alternative method for public project work performed or contracted by public entities in California as defined by Public Contract Code Section 22000 et seq. The Fire Authority adopted the alternative informal bidding procedures on February 22, 1996 establishing informal bidding procedures for public works.

Sec. 1-48 Procurement of public projects.

Sec. 1-48(1). Procurement of public projects, in accordance with the limits listed in Section 22302 of the Public Contract Code, as those limits may be amended from time to time, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code. Nothing herein contained, however, shall preclude the Fire Authority from utilizing more restrictive procedures if, and when required by federal or state law, where federal or state funds are involved in the contract to be awarded or when the Chief Procurement Officer determines it is in the best interest

of the Fire Authority.

Sec. 1-48(2). Contracts for construction shall be solicited through a competitive sealed bid process except as otherwise provided for in Sections 1-52 (procurement of construction services), 1-20 (small purchases), 1-21 (sole source procurement), and 1-22 (emergency procurements). The Chief Procurement Officer shall award contracts for public projects in accordance with the requirements of Public Contract Code Section 22000 et seq. and this code.

Sec. 1-48(3). Force Account and informal bidding procedures. Public works projects of the amount set forth in Public Contract Code Section 22032(a), as amended from time to time, may be performed by the employees of the Fire Authority, by negotiated contract, or by purchase order.

Sec. 1-48(4). Informal bidding procedures. Public works projects of the amount set forth in Public Contract Code Section 22032(b), as amended from time to time, may be let to contract by informal bidding procedures as set forth in Section 1-49(1).

Sec. 1-48(5). Formal bidding procedures. Public projects exceeding the amount set forth in Public Contract Code Section 22032(c), as may be amended from time to time, shall be let to contract by formal bidding procedures as set forth in Section 1-50.

Sec. 1-48(6) Payment bond. In accordance with the Civil Code Section 9550 et seq. all public works bids involving an expenditure in excess of twenty-five thousand dollars (\$25,000) shall require a payment bond in an amount not less than 100 percent of the total amount payable pursuant to the public works contract.

Sec. 1-49. Public project informal bidding procedures.

Sec. 1-49(1). Public projects which are subject to the informal bidding procedures as set forth in Section 1-48, shall be awarded to the lowest responsible bidder in accordance with the Public Contract Code Section 22000 et seq.

Sec. 1-49(2). Contractors list. The Fire Authority shall maintain a list of qualified contractors, identified according to categories of work. The development and maintenance of the list shall be in accordance with the provisions in the Public Contract Code Section 22034 and criteria established from time to time by the California Uniform Construction Cost Accounting Commission.

Sec. 1-49(3). Notice inviting informal bids. All contractors on the list of qualified contractors for the category of work to be bid or all construction trade journals as specified in the Public Contract Code Section 22036, or both, shall be sent a notice inviting informal bids unless the product or service delivery is proprietary. Additional contractors and/or construction trade journals may be notified at the discretion of the Chief Procurement Officer. If there is no list of qualified contractors maintained by the Fire Authority for the particular category of work to be performed, the notice shall be sent to the construction trade journals specified by the Commission.

Sec. 1-49(4). Sending notices and descriptions of project. All sending of notices to contractors and construction trade journals pursuant to Section 1-49(3) shall be completed not fewer than ten calendar days before bids are due. The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

Sec. 1-49(5). Award of informal bids. The Chief Procurement Officer is authorized to award informal bids for public projects.

Sec. 1-49(6). Bids in excess of the formal bid limit. If all bids received are in excess of the amount set forth in Public Contract Code Section 22032(b), as may be amended from time to time, the Board of Directors may by passage of a resolution by a four-fifths vote, award the contract, to the lowest responsible bidder, if it determines the cost estimate was reasonable and the contract amount will not exceed the amount set forth in Public Contract Code Section 22034(d), as may be amended from time to time.

Sec. 1-50. Public project formal bidding procedures.

Sec. 1-50(1). Public projects which are subject to formal bidding procedures, shall be awarded to the lowest responsive and responsible bidder in accordance with the procedures set forth in this section.

Sec. 1-50(2). Notice inviting formal bids. The notice inviting bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least fourteen (14) calendar days before the date of opening the bids, in a newspaper of general circulation within the jurisdiction of the Fire Authority. The notice inviting formal bids shall also be sent electronically to all construction trade journals specified for the County of Orange in the Public Contract Code Section 22036 at least fifteen (15) calendar days before the date of bid opening. In addition to notice required by this section, the Fire Authority may give other notice as it deems proper.

Sec. 1-50(3). Adopt plans. The Board of Directors of the Fire Authority shall adopt plans, specifications, and working details for all public projects as required by Public Contract Code 22039, exceeding the amount specified in the Public Contract Code Section 22032(c).

Sec. 1-50(4). Bidder security. All formal public projects shall require bidder's security as required by state law. Bid security shall be in an amount equal to at least ten percent of the amount bid, or such other amount as may be set forth in Public Contract Code Section 20171, as may be amended from time to time. Any bid bond submitted shall be executed by an admitted surety insurer which meets the rating requirements established by the risk manager or designee, made payable to the Fire Authority.

Sec. 1-50(5). Prequalification. The Fire Authority may require bidders to meet certain criteria in order to be placed upon a bidder's list to bid on formal public projects.

Sec. 1-50(6). Award of formal bids. The Board of Directors of the Fire Authority shall award all formal public works projects.

Sec. 1-51. Procurement of professional design services.

Contracts for professional design services shall be solicited and selected in accordance with Government Code Section 4525 et seq. through a request for qualifications.

Sec. 1-52. Procurement of construction services.

Contracts for construction services shall be solicited through a design-bid build or a design-build process in accordance with Public Contract Code Section 22160 et seq. except as otherwise provided for in Section 1-53. The Board of Directors or delegated authority shall award all contracts for construction services in accordance with the state requirements and this code.

Sec. 1-53. Public project emergencies procedure.

In cases of emergency, when repair or replacements are necessary to permit the continued conduct of the operation or services of the Fire Authority or to avoid danger to life or property, the Chair or Vice Chair

of the Board of Directors, after making a finding that the emergency will not permit a delay resulting from a competitive solicitation for bids and, that the action is necessary to respond to the emergency, may by a four-fifths vote, proceed at once to replace or repair any public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services and supplies for those purposes, without giving notice for bids to let contracts. The Fire Chief shall have the power to declare a public emergency when it is impractical to convene a meeting of the Board of Directors, subject to confirmation by the Board, by a four-fifths vote, at its next meeting and reviewed at least at every regularly scheduled meeting thereafter until the action is terminated. This procedure shall be subject to any other requirements of Public Contract Code Sections 22035 and 22050, as may be amended from time to time.

Sec. 1-54--1-57. Reserved.

ARTICLE VI. CONTRACT TERMS AND CONDITIONS

Sec. 1-58. Contract terms and conditions.

All Fire Authority contracts shall include provisions necessary to define the responsibilities and rights of the parties to the contract. The Chief Procurement Officer shall have the authority to establish and modify any such terms and conditions.

Secs. 1-59--1-61. Reserved.

ARTICLE VII. COST PRINCIPLES

Sec. 1-62. Cost principles.

The Chief Procurement Officer shall establish cost principles which shall be used to determine the allowability of incurred costs for the purpose of reimbursing costs under contract provisions which provide for the reimbursement of costs.

Sec. 1-63. Cost or pricing data.

The submission of current cost or pricing data may be required in connection with any award, change order or contract modification.

Secs. 1-64, 1-65. Reserved.

ARTICLE VIII. MATERIALS MANAGEMENT

Sec. 1-66. Definitions.

In this article, unless the context otherwise requires:

Sec. 1-66(1). "Property" means controlled fixed assets including supplies, materials or equipment with a useful life of more than one (1) year and value greater than \$5,000.

Sec. 1-66(2). "Property transfer" means the transfer of controlled fixed assets between using agencies or transfer of property to or from the surplus property program.

Sec. 1-66(3). "Surplus property" means property no longer needed by using department for their operations, property in poor or non-working condition, or property that is a by-product (e.g. scrap metal, used tires and oil, etc.).

Sec. 1-67. Materials management guidelines.

The Chief Procurement Officer shall establish guidelines as may be required governing:

Sec. 1-67(1). The transfer of surplus property and operation of the surplus property program.

Sec. 1-67(2). The sale or disposal of surplus property, by auction, competitive sale or other authorized method.

Sec. 1-67(3). The trade-in of surplus property for purchase of new equipment.

Sec. 1-68. Inventory management.

The Chief Procurement Officer shall manage the Fire Authority service center which provides warehousing services including inventory management, shipping, receiving, storing, issuing and servicing of supplies and inventory for the Fire Authority. The Chief Procurement Officer will establish policies and procedures required for efficient and effective operation of the inventory system including the purchase of inventory, sale or other disposal of inventory items no longer needed, delivery and other services provided to using agencies.

Sec. 1-69. Disposition of surplus property.

Sec. 1-69(1). The Chief Procurement Officer will operate a surplus property program for the purpose of receiving, storing, transferring, or selling surplus property no longer needed by using agencies.

Sec. 1-69(2). Using agencies shall request department authorization to transfer controlled fixed assets to another using department, or to request transfer of property into or from the surplus property program.

Sec. 1-69(3). Unless otherwise provided for, surplus property no longer needed by any using department shall be offered through competitive sale to the highest responsible bidder.

Sec. 1-69(4). Unless otherwise provided, all proceeds from the sale of surplus property will be deposited into the Fire Authority's general fund. Proceeds from sale of enterprise, federal, grant or other special designation property will be reimbursed, less pro-rated selling expenses, to the appropriate fund, after completion of each sale.

Sec. 1-69(5). If surplus property has an estimated value of less than five thousand dollars (\$5,000) and it is proposed that the property may be donated, the Chief Procurement Officer has the authority to determine whether the proposed donation of the surplus property to another local agency or non-profit organization meets the intent of the California Constitution whereby when a public agency gives a surplus item to another organization, the item must be used for a public purpose of interest and benefit generally to the people of the agency's jurisdiction and in keeping with the agency's purpose. Said donations shall require the prior approval of the Fire Chief and a release of liability to the Fire Authority from the agency accepting the donated surplus property. Any request for donation with a fair market value exceeding five thousand dollars (\$5,000) shall require prior approval by the Board of Directors or the Executive Committee.

Sec. 1-69(6). If surplus property is deemed to have historical significance by the Fire Chief and or/his designee, the historical property will be transferred and placed in the custody of a designated

section manager for safe keeping.

Secs. 1-70--1-74. Reserved.

ARTICLE IX. LEGAL AND CONTRACTUAL REMEDIES

Sec. 1-75. Definitions.

In this article, unless the context otherwise requires:

Sec. 1-75(1). "Adequate evidence" means more than mere accusation but less than substantial evidence. Consideration shall be given to the amount of credible information available, reasonableness in view of surrounding circumstances, corroboration, and other inferences that may be drawn from the existence or absence of affirmative facts.

Sec. 1-75(2). "Contract claim" means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, payment in a sum certain, adjustment or interpretation of contract terms, or other relief arising under or relating to the contract.

Sec. 1-75(3). "Filed" means delivery to the contract officer or to the Chief Procurement Officer, whichever is applicable. A time and date of receipt shall be documented in a verifiable manner for purposes of filing.

Sec. 1-75(4). "Governing instruments" means those legal documents that establish the existence of an organization and define its powers including articles of incorporation or association, constitution, charter and by-laws.

Sec. 1-75(5). "Interested party" means an actual or prospective bidder, respondent or offeror whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract or by the failure to award a contract. Whether an economic interest exists will depend upon the circumstances of each case. An interested party does not include a supplier, subconsultant or subcontractor to an actual or prospective bidder, respondent or offeror.

Sec. 1-75(6). "Receipt" means the earlier of actual receipt or the first attempted delivery by certified mail, or by any other means that provides evidence of the attempt, to the persons last known address.

Sec. 1-75(7). "Substantial evidence" means such relevant evidence as a reasonable person might accept as sufficient to support a particular conclusion.

Sec. 1-76. Authority of the Chief Procurement Officer.

The Chief Procurement Officer shall have the authority to settle and resolve protests and contract claims. Appeals from the decisions of the Chief Procurement Officer may be made to the Fire Chief pursuant to the provisions of this article.

Sec. 1-77. Right to protest.

Any actual interested party who is aggrieved in connection with the solicitation or award of a contract may

protest to the Chief Procurement Officer.

Sec. 1-78. Filing of a protest.

Sec. 1-78 (1). "Content of protest". The protest shall be in writing and shall include the following information:

- (a) The name, address, telephone number and email address of the protestant;
- (b) The signature of the protestant or its representative;
- (c) Identification of the solicitation or contract number;
- (d) A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- (e) The form of relief requested.

Sec. 1-79. Time for filing protests.

Sec. 1-79(1). Protests concerning improprieties in a solicitation. Protests based upon alleged improprieties in a solicitation that are apparent before the solicitation due date shall be filed not less than five (5) working days before the solicitation due date.

Sec. 1-79(2). In cases other than those covered in subsection (1) of this section, protests shall be filed within seven (7) days after the aggrieved person knows or should have known of the facts giving rise thereto; however, in no event shall the protest be filed later than seven (7) days after issuance of intent to award.

Sec. 1-79(3). The Chief Procurement Officer, without waiving the Fire Authority's right to dismiss the protest for lack of timeliness, may consider any protest that is not filed timely.

Sec. 1-79(4). The Chief Procurement Officer shall give notice of the protest to the successful contractor if award has been made or, if no award has been made, to all interested parties. Interested parties have the right to intervene.

Sec. 1-80. Stay of procurements during the protest.

In the event of a timely protest under Section 1-79, the Fire Authority may proceed further with the solicitation or with the award of the contract unless the Chief Procurement Officer makes a written determination that there is a reasonable probability that the protest will be sustained or that the stay of procurement is not contrary to the substantial interests of the Fire Authority.

Sec. 1-81. Confidential information.

Sec. 1-81(1). Material submitted by a protestant shall not be withheld from any interested party except to the extent that the withholding of information is permitted or required by law or as determined pursuant to Section 1-6.

Sec. 1-81(2). If the protestant believes the protest contains material that should be withheld, a statement advising the Chief Procurement Officer of this fact shall accompany the protest submission in accordance with Section 1-6.

Sec. 1-82. Decision by the Chief Procurement Officer.

Sec. 1-82(1). The Chief Procurement Officer shall issue a written decision within fourteen (14) days after a protest has been filed pursuant to Section 1-78. The decision shall contain an explanation of the basis of the decision.

Sec. 1-82(2). The Chief Procurement Officer shall furnish a copy of the decision to the protestant, by e-mail and/or certified mail, return receipt requested, or by any other method that provides evidence of receipt.

Sec. 1-82(3). The time limit for decisions set forth in subsection (1) of this section may be extended by the Fire Chief for a reasonable time not to exceed thirty (30) days. The Chief Procurement Officer shall notify the protestant in writing that the time for the issuance of a decision has been extended and the date by which a decision will be issued.

Sec. 1-82(4). If the Chief Procurement Officer fails to issue a decision within the time limits set forth in subsection (1) or (3) of this section, the protestant may proceed as if the Chief Procurement Officer had issued an adverse decision.

Sec. 1-82(5). The Chief Procurement Officer's decision shall contain a statement regarding the appeals process that is available pursuant to this article.

Sec. 1-83. Remedies.

Sec. 1-83(1). If the Chief Procurement Officer sustains the protest in whole or part and determines that a solicitation, evaluation process, proposed contract award, or contract award does not comply with the procurement code, the Chief Procurement Officer shall implement an appropriate remedy.

Sec. 1-83(2). In determining an appropriate remedy, the Chief Procurement Officer shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to:

- (a) The seriousness of the procurement deficiency;
- (b) The degree of prejudice to other interested parties or to the integrity of the procurement process;
- (c) The good faith of the parties;
- (d) The extent of performance;
- (e) Costs to the Fire Authority;
- (f) The urgency of the procurement; and
- (g) The impact of the relief on the using department's mission.

Sec. 1-83(3). An appropriate remedy may include one or more of the following:

- (a) Reject all bids, responses or proposals;
- (b) Terminate the contract;

- (c) Reissue the solicitation;
- (d) Issue a new solicitation;
- (e) Award a contract consistent with the procurement code;
- (f) Such other relief as is determined necessary to ensure compliance with the General Law and this code.

Sec. 1-84. Appeals to the Fire Chief.

Sec. 1-84(1). Appeal. An appeal from a decision entered or deemed to be entered by the Chief Procurement Officer shall be filed with the Fire Chief within seven (7) days from the date the decision is issued. The appellant shall also file a copy of the appeal with the Chief Procurement Officer.

Sec. 1-84(2). Content of appeal. The appeal shall contain:

- (a) The information set forth in Section 1-78, including the identification of confidential information in the manner set forth in Section 1-81;
- (b) A copy of the decision of the Chief Procurement Officer; and
- (c) The precise factual or legal error in the decision of the Chief Procurement Officer from which an appeal is taken.

Sec. 1-85. Notice of appeal.

Sec. 1-85(1). The Fire Chief shall give notice of the appeal to the successful contractor if award has been made or, if no award has been made, to interested parties. Such interested parties shall have the right to request copies of the appeal and to intervene in the proceedings.

Sec. 1-85(2). The Fire Chief shall, upon request, furnish copies of the appeal to those named in subsection (1) of this section subject to the provisions of Section 1-81.

Sec. 1-86. Stay of procurement during appeal.

If an appeal is filed during the procurement and before an award of a contract and the procurement or award of the contract was stayed by the Chief Procurement Officer pursuant to Section 1-80, the filing of an appeal shall automatically continue the stay unless the Fire Chief makes a written determination that the procurement or award of the contract without delay is necessary to protect substantial interests of the Fire Authority.

Sec. 1-87. Chief Procurement Officer's report.

Sec. 1-87(1). Report. The Chief Procurement Officer shall file a report on the appeal with the Fire Chief within seven (7) days from the date the appeal is filed. At the same time, Chief Procurement Officer shall furnish a copy of the report to the appellant by e-mail and/or certified mail, return receipt requested or any other method that provides evidence of receipt, and to any interested parties who have responded to the notice given pursuant to Section 1-85(2). The report shall contain copies of:

- (a) The appeal;

- (b) Any other documents that are relevant to the protest; and
- (c) A statement by the Chief Procurement Officer setting forth findings, actions, recommendations and any additional evidence or information necessary to determine the validity of the appeal.

Sec. 1-87(2). Extension for filing of report.

- (a) The Chief Procurement Officer may request in writing an extension of the time period setting forth the reason for extension.
- (b) The Fire Chief's determination on the request shall be in writing, state the reasons for the determination and, if an extension is granted, set forth a new date for the submission of the report. The Chief Procurement Officer shall notify the appellant in writing that the time for the submission of the report has been extended and the date by which the report will be submitted.

Sec. 1-87(3). Comments on report.

- (a) The appellant shall file comments on the Chief Procurement Officer's report with the Fire Chief within seven (7) days after receipt of the report. Copies of the comments shall be provided by the appellant to the Chief Procurement Officer and all other interested parties. The comments must contain a statement or confirmation as to the appellant's requested form of relief.
- (b) The Fire Chief may grant an extension on the time period to file comments pursuant to a written request made by the appellant within the period set forth in subsection (3)(a) of this section stating the reason an extension is necessary. The Fire Chief's determination on the request shall be in writing, state the reasons for the determination and, if the extension is granted, set forth a new date for the filing of comments. The Fire Chief shall notify the Chief Procurement Officer of any extension.

Sec. 1-88. Dismissal by the Fire Chief.

The Fire Chief shall dismiss, upon a written determination, an appeal if:

Sec. 1-88(1). The appeal does not state a valid basis, including a detailed statement of the legal and factual grounds, for protest; or

Sec. 1-88(2). The appeal is untimely pursuant to Section 1-84(1).

Sec. 1-89. Remedies.

If the Fire Chief sustains the appeal in whole or part and determines that a solicitation, evaluation process, proposed award, or award does not comply with the general law and/or this code, remedies may be implemented pursuant to Section 1-83.

Sec. 1-90. Filing of a contract claim.

Sec. 1-90(1). "Content of claim". The claim shall be in writing and shall include the following information:

- (a) The name, address, telephone number and email address of the claimant;
- (b) The signature of the claimant or its representative;

- (c) Identification of the solicitation or contract number;
- (d) A detailed statement of the legal and factual grounds of the claim including copies of relevant documents; and
- (e) The form of relief requested.

Sec. 1-91. Chief Procurement Officer's decision.

Sec. 1-91(1). Written decision. If a contract claim cannot be resolved by mutual agreement, the Chief Procurement Officer shall, upon a written request by the contractor for a final decision, issue a written decision no more than sixty (60) days after the request is filed. Before issuing a final decision, the Chief Procurement Officer shall review the facts pertinent to the contract claim or controversy and secure any necessary assistance from legal, financial, procurement, and other advisors.

Sec. 1-91(2). Final decision. The Chief Procurement Officer shall furnish a copy of the decision to the contractor, by certified mail, return receipt requested, or by any other method that provides evidence of receipt. The decision shall include:

- (a) A description of the claim;
- (b) A reference to the pertinent contract provision;
- (c) A statement of the factual areas of agreement or disagreement;
- (d) A statement of the Chief Procurement Officer's decision, with supporting rationale;
- (e) A statement regarding the appeals process that is available pursuant to this article.

Sec. 1-92. Issuance of a timely decision.

Sec. 1-92(1). The time limit for decisions set forth in Section 1-91(1) may be extended for good cause. The Chief Procurement Officer shall notify the contractor in writing that the time for the issuance of a decision has been extended and the date by which a decision is anticipated.

Sec. 1-92(2). If the Chief Procurement Officer fails to issue a decision within sixty (60) days after the request on a claim is filed or within the time prescribed under subsection (1) of this section, the contractor may proceed as if the Chief Procurement Officer had issued an adverse decision.

Sec. 1-93. Appeals to the Fire Chief.

Sec. 1-93(1). Appeal of final decision. An appeal of a final decision of a Chief Procurement Officer on a claim shall be filed with the Fire Chief within five (5) days from the date the decision is received. The appellant shall also file a copy of the appeal with the Chief Procurement Officer.

Sec. 1-93(2). Content of appeal. The appeal shall contain a copy of the decision of the Chief Procurement Officer and the basis for the precise factual or legal error in the decision of the Chief Procurement Officer from which an appeal is taken.

Sec. 1-93(3). Final decision, mediation service or arbitration. The Fire Chief may make the final decision in accordance with Section 1-97 or to refer to mediation services in accordance with Section 1-95 or refer to arbitration in accordance with Section 1-96.

Sec. 1-94. Fire Authority claims against a contractor.

All contract claims asserted by the Fire Authority against a contractor that are not resolved by mutual agreement shall promptly be referred by the Chief Procurement Officer to the Fire Chief for a final decision in accordance with Section 1-97, or mediation, in accordance with Section 1-95, or arbitration in accordance with Section 1-96.

Sec. 1-95. Mediation.

Contract claims may be resolved utilizing mediation services if the Fire Chief determines the use of such services is in the best interest of the Fire Authority.

Sec. 1-96. Arbitration.

Contract claims may be resolved utilizing arbitration if the Fire Chief determines the use of arbitration is in the best interest of the Fire Authority. The claim shall be settled by arbitration in accordance with the current construction industry arbitration rules of the American Arbitration Association or, at the option of the Fire Authority, in accordance with the provisions of the California Arbitration Act (CAA) (Cal. Civ. Proc. Code §§ 1280-1294.2) or the Federal Arbitration Act (FAA) (9 U.S.C. §§ 1-16, 201-208, 301-307).

Sec. 1-97. Final decision by the Fire Chief.

Sec. 1-97(1). The Fire Chief may affirm, modify, or reject the Chief Procurement Officer's decision in whole or in part, or make any other appropriate disposition.

Sec. 1-97(2). A decision by the Fire Chief shall be final. The decision shall be sent to all parties by e-mail, certified mail, return receipt requested or by any other method that provides evidence of receipt. If a stay was issued, the final decision by the Fire Chief shall lift any such stay, unless the Fire Chief determines that the continued stay is necessary to protect the substantial interest of the Fire Authority.

Sec. 1-98. Judicial review of protests or claims.

Any decision of the Fire Chief regarding a protest (§ 1-77 et seq.) or claim (§ 1-90 et seq.) under this code shall be final. Exhaustion of the procedures set forth in this code shall be a condition precedent to any person seeking judicial review of a final decision by the Fire Chief.

Sec. 1-99. Exclusive remedy.

Notwithstanding any law to the contrary, this article shall provide the exclusive procedure for asserting a claim or cause of action against the Fire Authority arising in relation to any procurement conducted under this code.

Secs. 1-100--1-115. Reserved.

ARTICLE X. COOPERATIVE PURCHASING

Sec. 1-116. Definitions.

In this article, unless the context otherwise requires:

Sec. 1-116(1). "Cooperative purchasing" means procurement conducted by, or on behalf of, more than one public procurement unit.

Sec. 1-116(2). "Eligible public procurement unit" means any state, county, city, town, and any other political subdivision, public authority, educational, health or other institution, and to the extent

provided by law, any other entity which expends public funds for the procurement of supplies, services and construction, and any not-for-profit entity.

Sec. 1-117. Applicability.

Agreements entered into pursuant to this article shall be limited to the areas of procurement, warehousing or materials management.

Sec. 1-118. Cooperative purchasing authorized.

The Fire Authority may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any materials, services, or construction with one or more eligible procurement units in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to joint or multi-party contracts between public procurement unit and open-ended public procurement unit contracts that are made available to other public procurement units. Parties under a cooperative purchasing agreement may:

Sec. 1-118(1). Sponsor, conduct or administer a cooperative agreement for the procurement or disposal of any materials, services, or construction.

Sec. 1-118(2). Cooperatively use materials or services.

Sec. 1-118(3). Commonly use or share warehousing facilities, capital equipment and other facilities.

Sec. 1-118(4). Provide personnel, except that the requesting eligible procurement unit may pay the public procurement unit providing the personnel the direct and indirect cost of providing the personnel, in accordance with the agreement.

Sec. 1-118(5). On request, make available to other eligible public procurement units informational, technical or other services that may assist in improving the efficiency or economy of procurement. The public procurement unit furnishing the informational or technical services has the right to request reimbursement for the reasonable and necessary costs of providing such services.

The activities described in paragraphs (1) through (5) do not limit the activities of parties under a cooperative purchasing agreement.

Sec. 1-119. Cooperative purchasing source selection methods.

All cooperative purchasing conducted under this Article shall be through contracts awarded by a public agency through full and open competition, including use of source selection methods substantially equivalent to those specified in Article III (Source Selection and Contract Formation) of this code.

Secs. 1-120, 1-121. Reserved.

**ARTICLE XI.
RESERVED**

Secs. 1-122--1-126. Reserved.

**ARTICLE XII.
ETHICS IN PUBLIC CONTRACTING**

Sec. 1-127. Procurement Ethics Standards

Sec. 1-127(1). The Chief Procurement Officer, as well as those involved in Fire Authority procurement shall discharge their duties in accordance with high ethical standards by practicing their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust.

Sec 1-127(2). The Chief Procurement Officer, as well as those involved in Fire Authority procurement, shall be subject to the Conflict of Interest Code and subsequent amendments adopted by the Fire Authority.

Sec. 1-127(3). The Chief Procurement Officer shall adopt a Procurement Ethics Policy and Procedures applicable to all Fire Authority procurement functions.

Secs. 1-128--1-130. Reserved.

Purchasing Authorities Comparison Chart

Attachment 4

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	<i>Proposed for OCFA</i>
Commodities (Defined as materials, equipment & supplies) Ord. 8, Sec. 1- 3(18)	Commodity contracts include all supplies and equipment and software licenses costing less than \$5,000 per unit <i>Only sole source commodity contracts exceeding \$250K annually require Board approval</i>	Inventory materials, equipment and supplies, if competed, may be awarded by management in any amount Inventory amendments for POs ≤ 30% increase none > 30% increase requires CEO signature	Inventory materials, equipment and supplies contracts can be awarded by management in any amount. The list of open supply contracts (exceeding \$100K) is provided to the finance committee annually in May. No Board approval is required	Approval for purchase occurs with budgetary pre- approval process at the line item detail, no further approval required	Executive Committee approval for commodity contracts with an annual contract amount greater than \$250,000. Authority management can approve any increase to commodity term contracts provided the annual contract amount remains less than \$250,000
Fixed Assets	<u>Budgeted Asset</u> - No Board approval if within budgeted amount in the adopted budget approved by the Board - Board approval if asset cost exceeds budgeted amount by more than 10% or \$100,000 (whichever is less) <u>Unbudgeted Asset</u> - Board approval if cost is > 25K each	<u>Budgeted</u> ≤ 250K none >250K Board approval <u>Non-budgeted</u> ≤ 25K none > 25K Board approval of bid & award	Operating budget line items that are part of the approved budget do not need Board approval unless the unit price is over \$100,000	Approval for purchase occurs with budgetary pre- approval process at the line item detail no further approval needed unless cost of the asset is greater by \$100,000 or more of the approved budgeted amount	Authority management can approve the purchase of fixed assets with unit cost less than \$100,000 Executive Committee approval is required for the purchase of fixed assets with unit cost greater than \$100,000
	County of Orange	Orange County Transp. Authority	Irvine Ranch Water District	City of Irvine	<i>Proposed for OCFA</i>

Purchasing Authorities Comparison Chart

		(OCTA)			
Professional Services	<p>Board of Supervisors approval is required for contracts exceeding \$100,000 in any year of the contract</p> <p>Multi-year contracts exceeding \$500K require Board approval when the total contract exceeds or is anticipated to exceed \$500,000 when future years are taken into consideration</p>	<p><u>Budgeted</u> $\leq 250K$ none $>250K$ Board approval</p> <p><u>Non-budgeted</u> $\leq 25K$ none $> 25K$ Board approval of bid & award</p> <p>If contract is not a competitive bid, Board approval is required for amounts over \$25,000</p>	<p>Board approval is required for contracts in which the annual contract amount is greater than \$100K.</p>	<p>Once budgetary approval is attained, the procurement process is concluded and the contracts are awarded</p> <p>Signing authority for unanticipated contracts or if cost exceeds budgeted amount. Dept. Director up to \$100K City Manager up to \$1 million</p>	<p><i>Service contracts include professional services facilities & equipment services, and consulting.</i></p> <p>Board approval is required for service contracts in which the annual contract amount is greater than \$100,000 or the multi-year contract exceeds \$500,000 when future years are taken into consideration.</p>
Maintenance Services	<p><i>Service contracts include: professional services, facilities & equip. services, consulting, capital leases, & revenue generating agreements</i></p> <p><u>Same rules listed for professional services (above) apply.</u></p>	<p><i>Service contract for maintenance are the same as professional services.</i></p> <p>Board approval is required for maintenance service contracts over \$250,000.</p>	<p>Operating budget line items that are part of the approved budget do not need Board approval</p>	<p>Approval for purchase occurs with budgetary pre-approval process at the line item detail for service contracts, no further approval needed</p>	<p><i>Service contracts include professional services facilities & equipment services, and consulting.</i></p> <p>Board approval is required for service contracts in which the annual contract amount is greater than \$100,000 or the multi-year contract exceeds \$500,000 when future years are taken into consideration.</p>

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	Proposed for OCFA
Sole Source	<u>Sole Source Commodity</u> > \$250K (annually) require Board Approval <u>Sole Source Capital Asset</u> > 50K Board approval <u>Sole Source Service Contracts</u> ≥ 50K (annual) require Board approval & may not be renewed without approval <i>Board approval is required for sole source contracts issued for two consecutive years regardless of dollar amount.</i>	<u>Sole Source</u> ≤ 25K none > 25K Board approval	<u>Sole Source</u> >\$100,000 Board approval	<u>Sole Source</u> < \$30K purchasing agent >\$100K require Council approval <i>*Different management level approvals are required up to \$100K</i>	Executive Committee approval is required for sole source contracts when aggregate amount exceeds \$50,000. <i>Sole source justification form is a required attachment to the staff report.</i> Add Special Procurements Executive Committee approval is required for special procurements when aggregate amount exceeds \$50,000. Special procurements are used when it is in the best interest of OCFA to award a contract without bidding requirements and the contract does not meet the definition of a sole source with justification. <i>Special Procurement justification form is a required attachment to the staff report.</i>
Emergency Purchases	<u>Unbudgeted Asset</u> - Board approval if cost is > 25K	Report emergencies purchases made greater than 25K at the next scheduled Board meeting	No specified limit Report emergency purchases made that were greater than \$100K at the next scheduled Board meeting	The City Manager has the authority to declare a public emergency, no specific dollar limit listed	Purchases in excess of \$100,000 require prior approval of Chair or Vice Chair and must be reported at the next Executive Committee meeting. Authorize the Fire Chief or designee to declare an emergency.

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	<i>Proposed for OCFA</i>
Contract Amendments	<p>Commodity contracts can be amended by management.</p> <p>Service contracts of less than five years duration may be extended for up to one year without Board approval provided there are no monetary increases that exceed the average annual value of the prior year's contracts.</p> <p>Service contracts that exceed \$100K per year required Board approval</p>	<p><u>Management authority</u></p> <p><u>Inventory amendments for POs</u></p> <p>≤ 30% increase none > 30% increase requires CEO signature</p> <p><u>Informal Contract <\$50K</u></p> <p>50% of original contract or \$8,333, whichever is less, provided contract amount does not exceed \$50K</p> <p><u>Formal Contract >\$50K</u></p> <p>15% of original contract or \$250K, whichever is less</p> <p><u>Equipment Amendment</u></p> <p>5% of original contract or \$250K, whichever is less</p>	<p><u>Change Order</u></p> <p>If individual or cumulative total of change orders in a month together with any change orders previously approved exceeds 30% of the original contract and the individual or cumulative total of such change orders exceeds \$100K, Board approval is required.</p>	<p><u>Change Order</u></p> <p>When the scope of work or cost increases are inconsistent with the adopted budget, approval for the additional services must be obtained according the guidelines:</p> <p>- Between \$5K-\$30K Director Over \$30K-\$100K City Manager Over \$100K – Finance Comm Review and Council approval</p>	<p>Authorize management to increase commodity contracts so long as the annual contract amount remains less than \$250,000.</p> <p>Authority management for service contract amendments remains the same</p> <p><u>Public Projects</u></p> <p>Reduce management authority on public projects change orders (formal and informal) to \$17,500 which equals 10% of the current PCC informal public project amount of \$175,000.</p> <p>Require Board approval for change orders on formal public projects over 10% or exceeding a total value of \$50,000</p>
Contract Duration	Board approval required for contracts longer than five years	Board approval required for contracts longer than five years	Contracts are three to five years	Contracts duration up to five years	Allow approval of contracts up to five years

RESOLUTION NO. 2016-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS AMENDING THE
ROLES/RESPONSIBILITIES/AUTHORITIES MATRIX TO COINCIDE
WITH THE NEW PURCHASING CODE**

RECITALS

A. WHEREAS, the Orange County Fire Authority Board of Directors last amended the Roles/Responsibilities/Authorities Matrix on February 26, 2016, and

B. WHEREAS, because the OCFA is adopting by Ordinance a new procurement code, it is appropriate to update the Roles/Responsibilities/Authorities Matrix to coordinate with the new procurement code; and

C. WHEREAS, the Board has considered the attached amendments to the matrix.

THEREFORE, the Board of Directors of the Orange County Fire Authority does hereby resolve as follows:

The Roles/Responsibilities/Authorities Matrix is amended as indicated by the redline version attached hereto as Exhibit A.

PASSED, APPROVED and ADOPTED this 28th day of April 2016.

GENE HERNANDEZ, CHAIR
OCFA Board of Directors

ATTEST:

SHERRY A.F. WENTZ, CMC
Clerk of the Authority

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

All authority rests with the Board of Directors unless it is delegated by statute or board action. When delegated, these authorities are further defined by contracts, resolutions, policies, or other board actions. The following chart defines OCFA's levels of authority. The Board of Directors has the authority to change these delegations within the parameters of legal and contractual restrictions.

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Levels of Service	Develop and implement programs to provide the identified "Levels of Service."		Approve temporary changes in "Levels of Service."	Approve "Levels of Service" for the Authority.
Resource Deployment	Establish policy/deployment that maintains the approved "Levels of Service."			
Standard Operating Procedures (SOPs) and General Orders (GOs)	Develop and implement SOPs and GOs consistent with Board policies.			
Budget Adoption	Develop the budget.		Budget & Finance Committee - Review the budget; make recommendations.	Approve the budget prior to June 30 each year (JPA Agreement, Article IV.1)
Budget Execution	Authorize expenditures within approved budget appropriations (JPA Agreement, Article IV.2)			
Budget: Intra- and inter-fund transfer; increases and decreases to appropriation.	Approve intra-fund transfers within adopted budgets			Approve inter-fund transfers between budgets; Approve increases and decreases to appropriations.

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Fire Station 41, Air Operations Maintenance Facility - Leases	Negotiate, approve and execute leases and/or lease amendments for Hangers Nos. 1, 2, 3, and 4			
Fund Balance - Assigned	Assign amounts for workers' compensation and the capital improvement program within requirements of the <i>Assigned Fund Balance Policy</i>		Budget & Finance Committee – Review calculations used to determine assignments for workers' compensation and the capital improvement program for consistency with <i>Assigned Fund Balance Policy</i>	Assign and un-assign fund balance for any specific purposes other than workers' compensation and the capital improvement program, within the guidelines of GASB Statement No. 54
Fund Balance – Committed				Commit and un-commit fund balance via minutes action, within the guidelines of GASB Statement No. 54
Contingency Planning and funding	Develop plan; administer budget in a manner consistent with plan and policies.		Budget & Finance Committee - Review contingencies and spending for compliance with plan and policies.	Establish plan and policies. Transfer of Appropriation for Contingencies requires prior approval of the Chair or the Vice Chair, in the absence of the Chair, and must be reported to the Board immediately in writing.

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Debt obligation	Develop and recommend financing plans.		Budget & Finance Committee – Review of recommended financing plans.	Approve all debt obligations. (Note: long-term bonded indebtedness requires approval by 2/3 rd vote of the members.)
Purchase of Commodities purchases and fixed assets (materials, equipment & supplies) <u>Ord. 8, Sec. 1-3(18)</u>	Approve purchase of commodities (<u>Ord. 8, per Art. III selection process or Art. X cooperative purchasing</u>) and fixed assets for total annual contract amount less than \$100,000 <u>250,000</u> . <u>Approve any increase to commodity term contracts provided the annual contract amount remains less than \$250,000.</u>		Approve purchase of commodities and fixed assets for with an annual total contract amount greater than over \$100,000 <u>250,000</u> . <u>Approved increase to commodity contracts if the increase results in the annual contract being greater than \$250,000.</u>	
<u>Fixed asset purchases</u>	<u>Approve purchase of fixed assets with unit cost less than \$100,000.</u>		<u>Approve purchase of fixed assets with a unit cost greater than \$100,000.</u>	

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Purchase—Professional Service Contracts – (including consulting contracts) includes professional services, facilities & equipment services, and consulting.	<p>Approve all service contracts <u>(selection process per Ord. 8, Art. III, or Art. X) for annual contract amount less than \$100,000, for the life of the contract duration.</u></p> <p><u>Approve multi-year contracts so long as the annual amount is less than \$100,000, and the total contract amount does not exceed \$500,000.</u></p>		<p>Approve all service contracts <u>in which the annual contract amount exceeds over \$100,000 for life of contract duration or multi-year contract exceeds \$500,000 when future years are taken into consideration.</u></p> <p>Contract extensions beyond the initial contract term <u>and allowable contract extensions</u> will require Executive Committee approval prior to contract extension.</p>	
<p>Change Orders/ Modifications</p> <p><u>Service Contract Amendments (Non Public Projects)</u></p> <p>(excludes Public Works contracts in excess of the formal limit set forth in Section 22032 of Public Contract Code)</p>	<p>For <u>service</u> contracts within the limits delegated herein to Authority Management, approve change orders in any amount so long as the revised amount remains within the delegated limits.</p> <p>For contracts originally approved by the Executive Committee or Board of Directors, approve change orders within the original scope of work, less than 15% but not to exceed a total value of \$50,000.</p>		<p>Approve change order/modifications to any contracts with original or revised values that exceed those amounts delegated herein to Authority Management.</p>	

ORANGE COUNTY FIRE AUTHORITY

Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Emergency Purchases/Contracts	Approve emergency purchases, <u>as defined in Ord. 8, Sec. 1-3(14) & Sec. 1-22,</u> up to \$100,000.		Purchases in excess of \$100,000 require prior approval of Chair or Vice Chair and must be reported at the next Executive Committee meeting.	
Sole Source Contracts	Approve any sole source contracts up to less than \$2550,000, <u>so long as acceptable justification is provided by the using agency per the requirements in Ord. 8, Sec. 1-21.</u>		Approve any sole source contracts <u>when aggregate amount exceeds over \$2550,000. <i>Sole source justification form is a required attachment to the staff report.</i></u>	
<u>Special Procurement Contracts – utilized when it is in the best interest of OCFA to award a contract without bidding requirements and the procurement does not meet the definition of a sole source.</u>	<u>Approve any special procurement contract less than \$50,000, so long as acceptable justification is provided by the using agency per the requirements in Ord. 8, Sec. 1-23.</u>		<u>Approve any special procurement contract when the aggregate amount exceeds \$50,000. <i>Special procurement justification form is a required attachment to the staff report.</i></u>	
Public Works Projects	Approve all informal public works contracts/projects in amounts up to the statutory limits authorized by <u>Public Contract Code Section 22032</u> of the Public Contract Code. (Currently projects under \$175,000).			Approve all <u>formal</u> public works contracts in amounts at or above the statutory limits authorized by <u>Public Contract Code Section 22032</u> Section 22032 of the Public Contract Code. (Currently projects over \$175,000).

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Public Projects - Change Orders/ Modifications for formal and informal Public Works contracts Projects in excess of the formal limit as set forth in Public Contract Code Section 22032 of the Public Contract Code	Approve C change Order/modifications <u>for formal and informal Public Projects up to 10% of original contract amount</u> , but not to exceed less than a total value of \$50,000 <u>17,500</u> .		Approve C change Order/modifications <u>for informal Public Projects</u> over 10% <u>of original contract amount</u> , or exceeding a total value of \$50,000 <u>17,500</u> .	<u>Approve Change Order/modification on formal Public Projects over 10% of original contract amount, or exceeding a total value of \$50,000 which ever is less.</u>
<u>Public Projects – Emergency as defined in Public Contract Code Sections 22035 and 22050 (Ord. 8, Sec. 1-53)</u>	<u>Fire Chief or designee has authority to declare an emergency and authorize procurement of equipment, services, construction services and supplies without the competitive bidding requirements when it is impracticable to convene a meeting of the Board of Directors prior to addressing the emergency needs.</u>			<u>Authorize exemption from procurement requirements by four-fifths vote (at next scheduled meeting) as required per Public Contract Code Sections 22035 and 22050.</u>
Investment Practices	Provide financial data to Budget & Finance Committee, Executive Committee and Board of Directors. Develop draft policy.		Budget & Finance Committee - Review Treasury/Investment actions to insure compliance with policy. Executive Committee – review monthly reports.	Adopt investment and Treasury policies.

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Setting of salaries/benefits and other terms and conditions of employment	Identify issues, recommend negotiations approach; negotiate with labor organizations as approved by the Board of Directors.		Review management recommendations; make recommendations to the Board of Directors.	Provide direction to chief negotiator on negotiations; adopt resulting MOUs and changes in the PSR.
Grievances	Administer procedures pursuant to MOU and PSR provisions.			
Disciplinary Actions	Implement disciplinary actions within legal and MOU requirements.			
Hire/Terminate	Hire/terminate Authority staff.		Make recommendations to the Board of Directors on General Counsel legal services contract and Fire Chief employment contract, and compensation of General Counsel and the Fire Chief.	Hire/terminate Fire Chief and General Counsel. Approve service contract for General Counsel. Approve employment contract for Fire Chief.
Appointments				Appointment of clerk, auditor, and treasurer (JPA Agreement Articles II.9 and II.13)
Classification and Salary Ranges	Administer classification system within existing classes and budget.		Adopt and approve new or modified classes and corresponding salary ranges.	
Settlement of Employee Complaints and Grievances	Approve settlements up to \$10,000 within existing PSR parameters.		Approve settlements up to \$50,000.	Approve settlements over \$50,000.

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
File Legal action				Authorize filing of legal action.
Respond to legal action				Authorize response to legal action.
Settlement of Claims and Litigation	Approve settlements of claims and litigation up to \$50,000. in accordance with Board of Directors Rules of Procedure.	Approve settlements of claims and litigation over \$50,000 not to exceed \$250,000. in accordance with Board of Directors Rules of Procedure.		Approve settlements of claims and litigation over \$250,000.
Level of risk/coverage/exposure	Recommend risk management policies; administer risk management program within established Board of Directors and legal requirements.			Establish policies.
Write-Off for Uncollectible Accounts	Approve write-off of uncollectible accounts up to \$15,000.		Approve write-off of uncollectible accounts over \$15,000. Budget and Finance Committee review annual report of uncollectibles and make a recommendation to Executive Committee for final decision.	
Accept Real Property Interests	Accept interest in real property if the Board of Directors or Executive Committee has previously approved.			Approve Secured Fire Protection Agreements and Purchase Agreements for the acquisition of real property.

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Utility licenses and easements	Execute licenses and easements for utilities necessary to implement construction projects approved by the Board or Executive Committee		Approve licenses and easements for utilities where no prior approval of construction projects has occurred	
Accept Grants	Accept all grants except: (1) when the grantor requires approval by the governing body, or; (2) when an adjustment is immediately needed to appropriations to expend the grant, or; (3) when a contract award is needed, requiring approval by the Executive Committee or Board.		Accept all grants in which the grantor requires approval by the governing body.	