



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Meeting

Wednesday, April 10, 2019

12:00 Noon

Orange County Fire Authority Regional Fire Operations and Training Center

1 Fire Authority Road

Room AE117

Irvine, California 92602

Shelley Hasselbrink, Chair

Don Sedgwick, Vice Chair

Sergio Farias Gene Hernandez Joe Muller Ed Sachs Tri Ta

Jennifer Cervantez - 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 Muller

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 13, 2019, Budget and Finance Committee Meeting

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT 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 25, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Orange County Employees' Retirement System Quarterly Status Update

Submitted by: Robert Cortez, Assistant Chief/Business Services Department

Recommended Action:

Receive and file the report.

4. DISCUSSION CALENDAR

A. Communication with Auditors for Fiscal Year 2018/19 Financial Audit

Submitted by: Robert Cortez, Assistant Chief/Business Services Department; Jim Ruane, Assistant Chief/Auditor Logistics Department; Bryan Gruber, Lance, Soll & Lunghard, LLP

Recommended Action:

Receive and file the report

B. Changes to Procurement Related Roles, Responsibilities, and Authorities

Submitted by: Robert Cortez, 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 25, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors approve the proposed Resolution amending the OCFA Roles, Responsibilities, and Authorities Matrix.

REPORTS

No items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, May 8, 2019, 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 and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 4th day of April 2019.

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

UPCOMING MEETINGS:

Executive Committee Meeting

Thursday, April 25, 2019, 5:30 p.m.

Board of Directors Meeting

Thursday, April 25, 2019, 6:00 p.m.

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Regular Meeting
Wednesday, March 13, 2019
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 13, 2019, at 12:02 p.m. by Chair Hasselbrink.

PLEDGE OF ALLEGIANCE

Vice Chair Sedgwick led the assembly in the Pledge of Allegiance to our Flag.

ROLL CALL

Present: Shelley Hasselbrink, Los Alamitos
Ed Sachs, Mission Viejo
Sergio Farias, San Juan Capistrano
Don Sedgwick, Laguna Hills
Gene Hernandez, Yorba Linda

Absent: Tri Ta, Westminster
Joseph Muller, Dana Point

Also present were:

Fire Chief Brian Fennessy
Deputy Chief Dave Anderson
Assistant Chief Randy Black
Assistant Chief Robert Cortez
Clerk of the Authority Sherry Wentz
Ex-Officio Jennifer Cervantez

Deputy Chief Lori Zeller
Assistant Chief Lori Smith
Assistant Chief Jim Ruane
Communication Director Colleen Windsor
General Counsel David Kendig

PUBLIC COMMENTS (F: 12.02B3)

Chair Hasselbrink opened the Public Comments portion of the meeting. Chair Hasselbrink closed the Public Comments portion of the meeting without any comments from the general public.

1. PRESENTATIONS

No items.

2. MINUTES

A. Minutes for the February 13, 2019, Budget and Finance Committee Regular Meeting (F: 12.02B2)

On motion of Director Hernandez and second by Vice Chair Sedgwick, the Budget and Finance Committee voted to approve the Minutes of the February 13, 2019, regular meeting as submitted. Director Sachs was recorded as an abstention due to his absence from the meeting.

3. CONSENT CALENDAR

A. Monthly Investment Report (F: 11.10D2)

On motion of Vice Chair Sedgwick and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of March 28, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. FY 2018/19 Mid-Year Budget Adjustment (F: 15.04)

On motion of Vice Chair Sedgwick and second by Director Hernandez, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Executive Committee meeting of March 28, 2019, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

4. DISCUSSION CALENDAR

A. Fiscal Year 2017/18 Backfill/Overtime and Calendar Year 2018 Total Earnings/Compensation Analysis (F: 15.11)

Assistant Chief Jim Ruane provided a PowerPoint presentation on the Fiscal Year 2017/18 Backfill/Overtime Calendar Year 2018 Total Earnings/Compensation Analysis.

Director Farias arrived at this point (12:06 p.m.).

Director Sachs requested, with the consensus of the Committee, that staff would provide a future report to the Committee on the scheduling and use of OCFA's training resources.

On motion of Director Hernandez and second by Vice Chair Sedgwick, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Directors meeting on March 28, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions:

1. Direct staff to continue pursuing reductions in overtime by filling permanent vacancies as quickly as possible after the positions become vacant.
2. Authorize staff to temporarily exceed the number of authorized firefighter positions on the Master Position Control to maximize the number of firefighters hired into each academy, pending attrition/promotions that occur following academy graduations.
3. Authorize staff to temporarily exceed the number of authorized Hand Crew firefighter positions on the Master Position Control to maximize the number of Hand Crew firefighters hired from each Hand Crew firefighter recruitment process, pending attrition/promotions that occur as Hand Crew firefighters promote to the firefighter rank.
4. Authorize staff to temporarily exceed the number of authorized dispatcher positions on the Master Position Control to maximize the number of dispatchers hired into each academy, pending attrition/retirements that will occur.
5. Direct staff to continue using overtime to fill temporary vacancies rather than hiring additional personnel, recognizing this as a cost-effective practice for temporary needs.

B. Selection of Public Accounting Firm for Financial Audit and Related Services

(F: 15.02A)

Assistant Chief Robert Cortez provided an overview of the selection process.

On motion of Director Hernandez and second by Vice Chair Sedgwick, the Committee voted unanimously by those present to review the proposed agenda item and take the following actions:

1. Financial Statement Audit and Single Audit Services – Based on the results of the Request for Proposals, approve the selection of Lance, Soll & Lunghard, LLP to provide annual financial statement audit and single audit services for a period of three years, with two optional one-year extensions, for a total price of \$54,675 for one year, and an all-inclusive maximum price of \$164,025 for three years or \$278,355 for five years.
2. Other Audit/Attest Services – Based on the results of the Request for Proposals, approve the selection of Lance, Soll & Lunghard, LLP to provide other audit/attest services as needed for a period of three years, with two optional one-year extensions, for a total price of \$11,160 for one year, and an all-inclusive maximum price of \$33,480 for three years or \$56,820 for five years.

C. Contract Award for Accounts Payable Workflow Integrated Document Imaging Solution (F: 19.08A14)

Assistant Chief Jim Ruane provided an overview of the current invoice transmittal process and the proposed software solution.

On motion of Director Hernandez and second by Director Farias, the Committee voted unanimously by those present to direct staff to place the item on the agenda for the Board of Director's meeting of March 28, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a budget adjustment increasing expenditures in the FY 2018/19 General Fund (121) by \$114,545 for software licensing, implementation, training, and support services costs.
2. Approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with ECS Imaging, Inc. for software licensing, implementation, training, and support services in an amount not to exceed \$114,545.
3. Authorize the Purchasing Manager to execute two optional one-year renewals for software licensing and services in an amount not to exceed \$25,000 annually (\$164,545 during the initial three-year contract period through 2022).

REPORTS (F: 12.02B6)

No items.

COMMITTEE MEMBER COMMENTS (F: 12.02B4)

There were no Committee Member comments.

ADJOURNMENT – Chair Hasselbrink adjourned the meeting at 12:48 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, April 10, 2019, 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 10, 2019

Agenda Item No. 3A
Consent 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	janewong@ocfa.org	714.573.6305

Summary

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

Prior Board/Committee Action

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 25, 2019, 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 28, 2019. A preliminary investment report as of March 22, 2019, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – February 2019/Preliminary Report – March 2019

Orange County Fire Authority Monthly Investment Report



Final Report – February 2019

Preliminary Report – March 2019



Monthly Investment Report Table of Contents

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Orange County Fire Authority

Final Investment Report

February 28, 2019



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of February 2019, the size of the portfolio continued to decrease to \$133.1 million from \$153.7 million. Significant receipts for the month included a cash contract payment, an apportionment of property taxes, intergovernmental contract and grant payments, and other charges for current services totaling \$6.2 million. Significant disbursements for the month included two biweekly payrolls which were approximately \$12.2 million each with related benefits and a \$1.4 million payment to Motorola Solutions Inc. for the upgrade and replacement of dispatch consoles. Total February cash outflows amounted to approximately \$27.8 million. The portfolio's balance is expected stay about the same in the following month.

In February, the portfolio's yield to maturity (365-day equivalent) edged up by 1 basis point to 2.29%. The effective rate of return increased by 3 basis points to 2.29% for the month and also by 3 basis points to 2.09% for the fiscal year to date. The average maturity of the portfolio shortened by 8 days to 38 days to maturity.

Economic News

The U.S. economy remained strong in February 2019 despite mixed economic activity. Employment conditions stayed solid even though the February employment report came in much weaker than expected. There were a total of only 20,000 new jobs created in February; a much higher number of jobs growth had been expected for the month. However, the unemployment rate, on the other hand, declined by 2 basis points to a very low level of 3.8%. Both the Conference Board Consumer Confidence and the University of Michigan Consumer Sentiment Indices reversed and increased in February. Manufacturing activity pulled back slightly while the non-manufacturing sector increased for the month. The CPI (Consumer Price Index) rose by 0.2% for the month, but overall inflation pressure remained low. Industrial production picked up slightly in February. Existing home sales reversed and increased by 11.8%. On March 20, 2019, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at a target range of 2.25% to 2.50%. The Committee also indicated the Fed would keep rates on hold for the rest of 2019 due to signs the economy is slowing down.



BENCHMARK COMPARISON AS OF FEBRUARY 28, 2019

3 Month T-Bill:	2.44%	1 Year T-Bill:	2.55%
6 Month T-Bill:	2.50%	LAIF:	2.39%
OCFA Portfolio: 2.29%			

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
Book Value-	\$133,139,278	\$153,781,149	\$145,509,799
Yield to Maturity (365 day)	2.29%	2.28%	1.35%
Effective Rate of Return	2.29%	2.26%	1.36%
Days to Maturity	38	46	96



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
February 28, 2019

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	7,132,222.71	7,132,222.71	7,132,222.71	5.36	1	1	1.913	1.940
Federal Agency Coupon Securities	16,000,000.00	15,912,440.00	16,000,000.00	12.03	878	201	1.436	1.456
Federal Agency Disc. -Amortizing	45,000,000.00	44,878,680.00	44,878,690.83	33.74	104	40	2.456	2.490
Local Agency Investment Funds	65,000,000.00	64,938,323.26	65,000,000.00	48.87	1	1	2.359	2.392
Investments	133,132,222.71	132,861,665.97	133,010,913.54	100.00%	141	38	2.257	2.288
Cash								
Passbook/Checking (not included in yield calculations)	496,857.64	496,857.64	496,857.64		1	1	0.000	0.000
Total Cash and Investments	133,629,080.35	133,358,523.61	133,507,771.18		141	38	2.257	2.288

Total Earnings	February 28 Month Ending	Fiscal Year To Date
Current Year	251,106.67	2,096,428.28
Average Daily Balance	142,925,023.11	150,953,158.66
Effective Rate of Return	2.29%	2.09%

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

Patricia Jakubiak, Treasurer

3/1/19

Cash and Investments with GASB 31 Adjustment:

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

\$ 133,507,771.18

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

\$ (368,493.66)

Total

\$ 133,139,277.52

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
February 28, 2019

(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	Federated Treasury Obligations			7,132,222.71	7,132,222.71	7,132,222.71	1.940	1.940	1	
Subtotal and Average			9,055,804.96		7,132,222.71	7,132,222.71	7,132,222.71		1.940	1	
Federal Agency Coupon Securities											
3133EGPD1	921	Federal Farm Credit Bank (Callable Anytime)		04/20/2017	7,000,000.00	6,963,740.00	7,000,000.00	1.180	1.375	153	08/01/2019
3134GBHT2	922	Fed Home Loan Mtg Corp		04/25/2017	9,000,000.00	8,948,700.00	9,000,000.00	1.625	1.518	238	10/25/2019
Subtotal and Average			16,000,000.00		16,000,000.00	15,912,440.00	16,000,000.00		1.456	201	
Federal Agency Disc. -Amortizing											
313384CT4	959	Fed Home Loan Bank		12/19/2018	9,000,000.00	8,996,400.00	8,996,415.00	2.390	2.470	6	03/07/2019
313384DJ5	960	Fed Home Loan Bank		12/19/2018	5,000,000.00	4,993,050.00	4,993,058.33	2.380	2.462	21	03/22/2019
313384DX4	961	Fed Home Loan Bank		12/20/2018	9,000,000.00	8,979,480.00	8,979,430.00	2.420	2.505	34	04/04/2019
313384DJ5	962	Fed Home Loan Bank		12/21/2018	4,000,000.00	3,994,440.00	3,994,400.00	2.400	2.482	21	03/22/2019
313384FS3	963	Fed Home Loan Bank		01/07/2019	9,000,000.00	8,953,380.00	8,953,030.00	2.440	2.531	77	05/17/2019
313384FC8	964	Fed Home Loan Bank		01/10/2019	9,000,000.00	8,961,930.00	8,962,357.50	2.390	2.475	63	05/03/2019
Subtotal and Average			52,869,218.15		45,000,000.00	44,878,680.00	44,878,690.83		2.490	40	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	64,938,323.26	65,000,000.00	2.392	2.392	1	
Subtotal and Average			65,000,000.00		65,000,000.00	64,938,323.26	65,000,000.00		2.392	1	
Total and Average			142,925,023.11		133,132,222.71	132,861,665.97	133,010,913.54		2.288	38	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
February 28, 2019

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		07/01/2018	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2018	476,857.64	476,857.64	476,857.64		0.000	1
		Average Balance	0.00							1
Total Cash and Investments			142,925,023.11		133,629,080.35	133,358,523.61	133,507,771.18		2.288	38

“We visualize problems and solutions
through the eyes of those we serve.”



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of March 1, 2019

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	(03/01/2019 - 03/01/2019)	4 Maturities	0 Payments	72,629,080.35	54.40%	72,629,080.35	72,567,403.61
Aging Interval:	1 - 30 days	(03/02/2019 - 03/31/2019)	3 Maturities	0 Payments	18,000,000.00	13.47%	17,983,873.33	17,983,890.00
Aging Interval:	31 - 60 days	(04/01/2019 - 04/30/2019)	1 Maturities	0 Payments	9,000,000.00	6.73%	8,979,430.00	8,979,480.00
Aging Interval:	61 - 91 days	(05/01/2019 - 05/31/2019)	2 Maturities	0 Payments	18,000,000.00	13.42%	17,915,387.50	17,915,310.00
Aging Interval:	92 - 121 days	(06/01/2019 - 06/30/2019)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(07/01/2019 - 07/31/2019)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	153 - 183 days	(08/01/2019 - 08/31/2019)	1 Maturities	0 Payments	7,000,000.00	5.24%	7,000,000.00	6,963,740.00
Aging Interval:	184 - 274 days	(09/01/2019 - 11/30/2019)	1 Maturities	0 Payments	9,000,000.00	6.74%	9,000,000.00	8,948,700.00
Aging Interval:	275 days and after	(12/01/2019 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			12 Investments	0 Payments		100.00	133,507,771.18	133,358,523.61



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, 2018 includes a decrease of (\$121,754) to the LAIF investment and a decrease of (\$246,740) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.



Local Agency Investment Fund (LAIF)

As of February 28, 2019, OCFA has \$65,000,000 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of December 31, 2018 is 0.999051127. When applied to OCFA's LAIF investment, the fair value is \$64,938,323 or (\$61,677) 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 28, 2019 is included on the following page.



Fair Value Including Accrued Interest	\$	89,922,211,644.56
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Orange County Fire Authority

Preliminary Investment Report

March 22, 2019



ORANGE COUNTY FIRE AUTHORITY **Portfolio Management** **Portfolio Summary** **March 22, 2019**

Orange County Fire Authority
 1 Fire Authority Road
 Irvine, 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	9,444,919.00	9,444,919.00	9,444,919.00	6.93	1	1	1.913	1.940
Federal Agency Coupon Securities	16,000,000.00	15,924,240.00	16,000,000.00	11.74	878	179	1.436	1.456
Federal Agency Disc. -Amortizing	27,000,000.00	26,937,540.00	26,934,692.50	19.76	116	36	2.469	2.504
Treasury Coupon Securities	9,000,000.00	8,977,680.00	8,977,739.89	6.59	85	69	2.397	2.430
Treasury Discounts -Amortizing	10,000,000.00	9,946,800.00	9,945,688.67	7.30	96	82	2.400	2.433
Local Agency Investment Funds	65,000,000.00	64,938,323.26	65,000,000.00	47.69	1	1	2.359	2.392
Investments	136,444,919.00	136,169,502.26	136,303,040.06	100.00%	139	39	2.247	2.278

Cash and Accrued Interest

Passbook/Checking (not included in yield calculations)	640,299.08	640,299.08	640,299.08		1	1	0.000	0.000
Accrued Interest at Purchase		26,981.46	26,981.46					
Subtotal		667,280.54	667,280.54					
Total Cash and Investments	137,085,218.08	136,836,782.80	136,970,320.60		139	39	2.247	2.278

Total Earnings	March 22 Month Ending	Fiscal Year To Date
Current Year	192,651.11	2,289,079.39
Average Daily Balance	141,761,918.98	150,190,112.35
Effective Rate of Return	2.25%	2.10%

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

Patricia Jakubiak, Treasurer

3/29/19

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 136,970,320.60
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ (368,493.66)
Total	\$ 136,601,826.94

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
March 22, 2019

(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	Federated Treasury Obligations			9,444,919.00	9,444,919.00	9,444,919.00	1.940	1.940	1	
Subtotal and Average			9,953,186.76		9,444,919.00	9,444,919.00	9,444,919.00		1.940	1	
Federal Agency Coupon Securities											
3133EGPD1	921	Federal Farm Credit Bank (Callable Anytime)		04/20/2017	7,000,000.00	6,970,320.00	7,000,000.00	1.180	1.375	131	08/01/2019
3134GBHT2	922	Fed Home Loan Mtg Corp		04/25/2017	9,000,000.00	8,953,920.00	9,000,000.00	1.625	1.518	216	10/25/2019
Subtotal and Average			16,000,000.00		16,000,000.00	15,924,240.00	16,000,000.00		1.456	179	
Federal Agency Disc. -Amortizing											
313384DX4	961	Fed Home Loan Bank		12/20/2018	9,000,000.00	8,993,880.00	8,992,740.00	2.420	2.505	12	04/04/2019
313384FS3	963	Fed Home Loan Bank		01/07/2019	9,000,000.00	8,967,510.00	8,966,450.00	2.440	2.531	55	05/17/2019
313384FC8	964	Fed Home Loan Bank		01/10/2019	9,000,000.00	8,976,150.00	8,975,502.50	2.390	2.475	41	05/03/2019
Subtotal and Average			37,955,007.65		27,000,000.00	26,937,540.00	26,934,692.50		2.504	36	
Treasury Coupon Securities											
912828SX9	965	Treasury Note		03/07/2019	9,000,000.00	8,977,680.00	8,977,739.89	1.125	2.430	69	05/31/2019
Subtotal and Average			8,527,505.68		9,000,000.00	8,977,680.00	8,977,739.89		2.430	69	
Treasury Discounts -Amortizing											
912796RU5	966	US Treasury Bill		03/07/2019	6,000,000.00	5,968,080.00	5,967,391.34	2.386	2.435	82	06/13/2019
912796RU5	967	US Treasury Bill		03/12/2019	4,000,000.00	3,978,720.00	3,978,297.33	2.382	2.430	82	06/13/2019
Subtotal and Average			6,326,238.88		10,000,000.00	9,946,800.00	9,945,688.67		2.433	82	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			65,000,000.00	64,938,323.26	65,000,000.00	2.392	2.392	1	
Subtotal and Average			65,000,000.00		65,000,000.00	64,938,323.26	65,000,000.00		2.392	1	
Total and Average			141,761,918.98		136,444,919.00	136,169,502.26	136,303,040.06		2.278	39	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
March 22, 2019

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		07/01/2018	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2018	620,299.08	620,299.08	620,299.08		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		26,981.46	26,981.46			1
				Subtotal		667,280.54	667,280.54			
Total Cash and Investments			141,761,918.98		137,085,218.08	136,836,782.80	136,970,320.60		2.278	39

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of March 23, 2019

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	(03/23/2019 - 03/23/2019)	4 Maturities	0 Payments	75,085,218.08	54.83%	75,085,218.08	75,023,541.34
Aging Interval:	1 - 30 days	(03/24/2019 - 04/22/2019)	1 Maturities	0 Payments	9,000,000.00	6.57%	8,992,740.00	8,993,880.00
Aging Interval:	31 - 60 days	(04/23/2019 - 05/22/2019)	2 Maturities	0 Payments	18,000,000.00	13.10%	17,941,952.50	17,943,660.00
Aging Interval:	61 - 91 days	(05/23/2019 - 06/22/2019)	3 Maturities	0 Payments	19,000,000.00	13.82%	18,923,428.56	18,924,480.00
Aging Interval:	92 - 121 days	(06/23/2019 - 07/22/2019)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	122 - 152 days	(07/23/2019 - 08/22/2019)	1 Maturities	0 Payments	7,000,000.00	5.11%	7,000,000.00	6,970,320.00
Aging Interval:	153 - 183 days	(08/23/2019 - 09/22/2019)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval:	184 - 274 days	(09/23/2019 - 12/22/2019)	1 Maturities	0 Payments	9,000,000.00	6.57%	9,000,000.00	8,953,920.00
Aging Interval:	275 days and after	(12/23/2019 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for			12 Investments	0 Payments		100.00	136,943,339.14	136,809,801.34



NOTES TO PORTFOLIO MANAGEMENT REPORT

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The MUFG Union Bank Trust Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year end. The adjustment for June 30, 2018 includes a decrease of (\$121,754) to the LAIF investment and a decrease of (\$246,740) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks, yet allow that liquidity to be invested while payment of the outstanding checks is pending.

GLOSSARY

INVESTMENT TERMS

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

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

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

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

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

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

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

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

Federal Funds. Funds placed in Federal Reserve banks by depository 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 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 10, 2019

Agenda Item No. 3B
Consent Calendar

Orange County Employees' Retirement System Quarterly Status Update

Contact(s) for Further Information

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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 (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 January – March 2019

OCERS BOARD OF RETIREMENT MEETING - February 19, 2019:

2019 COST OF LIVING ADJUSTMENT (COLA)

As directed by statute, the OCERS Board approved a 4% COLA for retirees based on the 2018 Consumer Price Index (CPI) for the Los Angeles/Long Beach/Anaheim area which was measured at 3.81%. Per the Government Code, any increase or decrease in the CPI is rounded to the nearest one-half of one percent (3.81% rounded to 4.0%) and provides that a maximum COLA of 3%. The remaining 1% is banked for future years when the COLA is less than 3%.

OCERS INVESTMENT RETURN

OCERS return for February was 1% and the year-to-date (YTD) return is 4.67%. OCERS is on a calendar year basis and has an assumed rate of return of 7.0%.

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)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
April 10, 2019

Agenda Item No. 4A
Discussion Calendar

Communication with Auditors for Fiscal Year 2018/19 Financial Audit

Contact(s) for Further Information

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Bryan Gruber Lance, Soll & Lunghard, LLP	bryan.gruber@slcpas.com	714.672.0022

Proir Board/Committee Action

Not Applicable.

Summary

This agenda item is submitted to provide an update to the Budget and Finance/Audit Committee on the Fiscal Year 2018/19 financial audit, including two-way communication between the Committee and the independent financial auditors in accordance with Statements on Auditing Standards (SAS) No. 114.

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 auditors Lance, Soll & Lunghard, LLP (LSL) are scheduled to begin its Fiscal Year 2018/19 interim audit fieldwork on May 6, 2019. A representative from the audit engagement team provides a presentation to the Budget and Finance Committee at the beginning of the audit process in order to commence two-way communication in accordance with SAS No. 114. The auditors will also present the financial statements to the Committee and Board of Directors at the completion of the audit later this year.

Attachment(s)

SAS No. 114 Auditor Communication Letter from LSL

March 20, 2019

To the Board of Directors
Orange County Fire Authority
Irvine, California

We are engaged to audit the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Orange County Fire Authority (Authority), and the Single Audit for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we will consider the internal control of the Authority. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with Uniform Guidance, we will examine, on a test basis, evidence about the Authority's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Authority's compliance with those requirements.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.



To the Board of Directors
Orange County Fire Authority
Irvine, California

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis, the schedule of the Authority's proportionate share of the net pension liability and schedule of contributions for the OCERS Retirement plan, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of money weighted rate of return for the Extra Help Retirement plan, schedule of changes in net OPEB liability and related ratios, schedule of contributions, and schedule of money weighted rate of return for the Retiree Medical plan which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the individual fund budgetary comparison schedules, combining general fund statements, and combining fiduciary fund statements which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical sections which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to issue our report on approximately October 2019.

This information is intended solely for the use of the governing board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Solt & Lughard, LLP



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
April 10, 2019

Agenda Item No. 4B
Discussion Calendar

Changes to Procurement Related Roles, Responsibilities, and Authorities

Contact(s) for Further Information

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Summary

This item is submitted for approval to amend the Roles, Responsibilities, Authorities Matrix relating to procurement authority. These changes will provide clarity and consistency for routine procurements.

Prior Board/Committee Action(s)

At its April 28, 2016, meeting, the Board of Directors introduced Ordinance No. 008 which established a new procurement ordinance and amended the Roles, Responsibilities, and Authorities Matrix to coincide with the new Ordinance. On May 26, 2016, the second reading of Ordinance No. 008 was approved. The Ordinance and the matrix became effective on July 1, 2016.

At its May 24, 2018, meeting, the Board of Directors received and filed the Procurement Policy Manual which provides more in-depth guidelines related to various procurement methods and thresholds, adhering to the laws set forth in the Ordinance.

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 25, 2019, with the Budget and Finance Committee's recommendation that the Board of Directors approve the proposed Resolution amending the OCFA Roles, Responsibilities, and Authorities Matrix.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

The current Roles, Responsibilities, and Authorities Matrix (Matrix) as it relates to procurement was updated on April 28, 2016, and became effective July 1, 2016. The changes were based on review and comparison of purchasing limits of large agencies in the county including: the County of Orange, Orange County Transit Authority (OCTA), Irvine Ranch Water District (IRWD), and the cities of Irvine and Anaheim.

Effective January 1, 2019, the State of California increased the statutory limits on informal public projects from \$175,000 to \$200,000 authorized by Public Contract Code (PCC) Section 22032. The OCFA Procurement Ordinance No. 008, references PCC Section 22032, and states that the limits may be amended from time to time; therefore, no changes to the Ordinance are required for OCFA to operate under the new statutory limits. However, the current Matrix references the \$175,000 limit and as such now necessitates changes. Addressing this change in the Matrix provides the opportunity to review the current authority management levels and develop recommendations that will enhance procurement processes, promote efficiencies, and provide additional clarification.

A summary table of current management authority and proposed revisions to the Matrix is provided in Attachment 1. This summary captures recommended revisions to help streamline the contracting process and create efficiencies to address day-to-day purchasing operational needs. These recommendations are consistent with comparable agencies. The proposed revisions are grouped into three specific areas:

- **Modifications:**
 - *Commodities* - Allow competitively solicited commodity contracts to be awarded by management provided funding is available. Removal of the dollar limit from competitively bid commodity contracts.
 - *Fixed Assets* - Board pre-approval of fixed asset purchases at the time of budget adoption.
 - *Service Contracts* - Differentiate maintenance service contracts separately from professional and consulting services contracts.
- **New Additions:**
 - Creating new maintenance service contracts category.
 - Formalize contract duration up to five-years and applicable to contract awards exceeding the small \$10K threshold as defined by Procurement Ordinance No. 008.
- **Additional Clarification Language:**
 - Purchase of additional commodity items from a price agreement are not to be considered a change order.
 - Management authority for sole source and special procurement contracts under \$50K annually. Executive committee retains approval for these contracts exceeding \$50K annually or \$150K in a three-year period.
 - Clarify informal/formal public projects and associated change orders with delegated authority up to 15% to be consistent with non-public project change orders.
 - Remove \$100K cap for emergencies and distinguish emergency equipment and service contracts from emergency public projects.

The Procurement Ordinance and the Policies Manual provide the legal framework for source selection and contract formation methods used in awarding Fire Authority contracts. The Executive Committee retains the authority for approval of non-competitive contracts and professional and consulting services contracts. The Board of Directors awards all formal public projects.

Attachment 2 provides a comparison of management authority within other large agencies in Orange County.

Attachment(s)

1. Summary of Proposed Revisions to the Roles/Responsibilities Matrix
2. Purchasing Authorities Comparison Chart
3. Proposed Resolution Adopting the Updated Roles/Responsibilities Matrix
Exhibit A - Proposed Roles/Responsibilities/Authorities Matrix (Redlined)

I. Modifications			
Category	Current Management Authority	Proposed Revisions	Resulting Process Improvements and Benefits
Commodity Contracts	Award contracts up to \$250K. - Price agreements established from a competitive solicitation.	Allow competitively solicited commodity contracts be awarded by management provided funding is available. Remove dollar limit from competitively bid commodity contracts.	This will allow increases to blanket order contracts when quantities increase and pricing remains the same. Example – fire hose, tires, uniforms, boots, parts, gloves, etc.
Fixed Asset Purchases	Approve purchase of competitively bid fixed assets with unit price less than \$100K. - One time purchase of budgeted fixed assets - One time purchase order is issued - Funds are encumbered	Board to pre-approve fixed asset purchases at the time of budget adoption.	This will allow a purchase once the solicitation is completed. Additional Executive Committee approval is required if additional funding is required, the price exceeds the budget by 15% or \$100K whichever is less. - This will reduce the processing time on long lead-time purchases.
Service Contracts	Approve all service contracts for annual contract amount less than \$100K. -Service contracts included professional, consultants, and maintenance and repairs awarded because of a competitive solicitation.	Approve all Professional and Consulting Services Contracts where the annual value to any one firm is less than \$100K. Separate maintenance service contracts into its own category.	Provides for additional clarification when multiple contracts are awarded from a competitive solicitation. Separating the maintenance services contracts from the professional services contracts provides standardization with the revised informal public project amount of \$200K per the PPC Section 22032 (b).
II. New Additions			
Maintenance Service Contracts	Maintenance service contracts combined under the “services contracts” category	New separate category provides management authority to approve maintenance service contracts where the annual value to any one contractor is less than \$200K. - Includes repair & maintenance for facilities & equipment.	Streamlines management authority for staff responsible for maintenance contracts. Added efficiencies for contracting and day-to-day maintenance needs. Many of these contracts have the same contractor requirements as public work projects. Examples include plumbing, HVAC, garage door maintenance, vehicle parts and services
Contract Duration	Informal rule - Most solicitations request a three-year term with two additional one-year renewals. The Board currently approves contracts exceeding five years.	Formalize contract duration up to five years – applicable to contract awards exceeding the small purchase (\$10K) as defined in Ord. 8, Sec 1-20 Five years	This provides clarification and documents contract duration in the matrix.

Summary of Proposed Revisions to the Roles and Responsibilities Matrix

III. Additional Clarification Language		
Category	Proposed Revisions	Resulting Process Improvements and Benefits
Change Orders - Specific to professional and consulting	Clarification to terminology – increase to a commodity contract for the purchase of additional items on a price agreement should not be considered as a change order. Management authority for change orders within delegated authority and less than 15% for contracts approved by Executive Committee or the Board of Directors.	Provides consistency in change orders within management authority (less than 15%).
Emergency Purchases – added (commodity and service contracts)	Removed the \$100K cap and include delegated authority since this amount varies for commodity and service type.	Provides clarity
Sole Source Contracts – less than \$50K	Authority management for contracts less than \$50K annually. Executive Committee retains approval for sole source contracts \$50K annually or \$150K aggregate in a three-year period.	Provides clarity
Special Procurement Contracts – less than \$50K	Authority management for contracts less than \$50K annually. Executive Committee retains approval for special procurement contracts \$50K annually or \$150K aggregate in a three-year period.	Provides clarity
Public Projects – Informal & Formal	Added additional information for clarity on informal and formal public projects. Informal limit increased to \$200K effective January 1, 2019.	Provides clarity
Public Project – Change Orders Informal & Formal	Management authority for informal public projects within delegated authority and formal projects up to 15% of original contract amount.	Additional language added to distinguish informal and formal public projects and authority management. This provides consistency in change orders within management authority (less than 15%).
Public Projects – Emergency	Removed equipment and service as this is covered under Emergency Purchases.	Provides consistency and distinguishes emergency equipment and service contracts from emergency public projects.

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	OCFA Current	OCFA Proposed
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 Only sole source commodity contracts exceeding \$250K annually require Board approval	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. <i>Unplanned items or if cost exceeds approved amount. Dept. Director <\$30K City Mgr. <\$100K Finance Commission or Great Park and Council >\$100K</i>	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	<i>Allow competitively solicited commodity contracts be awarded by management provided funding is available. Sole source and special procurement contracts over \$50,000 aggregate for three years require Executive Committee approval</i>
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 amt. by more than 10% or \$100,000 (whichever is less) <u>Unbudgeted Asset</u> - Board approval if cost is > 50K 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.	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. <i>Unbudgeted same as "Commodities"</i>	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	<i>Board – pre-approve purchase of fixed assets within the budget approved by the Board. Executive committee approve fixed asset purchases that exceed budget by 10% or \$100K Board approves when additional funding is required.</i>

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	OCFA Current	OCFA Proposed
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> ≤ \$250K none > \$250K Board approval</p> <p><u>Non-budgeted</u> ≤ \$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>Approval during the annual budget process (detailed line item includes description and not to exceed amount). No further Council approval required for the contract award unless the contract exceeds the budgeted amount <u>or the contract is >\$1M.</u></p> <p>Contracts > \$1M require Finance Commission or Great Park Board review and Council approval.</p> <p>Unbudgeted same as "Commodities"</p>	<p><i>Service contracts include professional services facilities & equipment services, and consulting.</i></p> <p>Executive Committee approval is required for service contracts in which the annual contract amount is greater than \$100K or the multi-year contract exceeds \$500K.</p>	<p>Keep limit the same for professional services</p> <p>Separate professional services and consulting services from facilities, maintenance and equipment services.</p> <p>Executive Committee approval is required for professional services and consulting services exceeding \$100,000 in any year for the contract.</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 unless <u>contract is > \$1M</u></p> <p><u>Same rules listed for professional services (above) apply.</u></p> <p>Unbudgeted same as "Commodities"</p>	<p><i>Service contracts include professional services facilities & equipment services, and consulting.</i></p> <p>Executive Committee approval is required for service contracts in which the annual contract amount is greater than \$100K or the multi-year contract exceeds \$500,000.</p>	<p>Separate maintenance services (maint. & repair) from professional and consulting services.</p> <p>Provide for management award of maintenance services contracts up to \$200,000 annually, which is the same limit as informal public works bid threshold.</p>

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	OCFA Current	OCFA Proposed
Sole Source	<u>Sole Source Commodity</u> > \$250K (annually) require Board Approval <u>Sole Source Capital Asset</u> > 75K Board approval <u>Sole Source Service Contracts</u> ≥ 75K (annual) require Board approval & may not be renewed without approval <i>Board approval is required for sole source contracts that exceed a two-year consecutive term 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 <i>Dept. Director & Purchasing Agent</i> > \$30K - \$100K <i>*FMSP and Assistant City Manager</i> > \$100K <i>Finance Commission or Great Park and Council approval.</i> * (FMSP) <i>Financial Management and Strategic Planning</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>	<i>For Sole Source & Special Procurement contracts, Executive Committee approval is required for contracts that exceed \$50,000 annually or if the three-year aggregate exceeds \$150K.</i>

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	OCFA Current	OCFA Proposed
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 specified dollar limit listed. Dept. Director will submit report of circumstances to PA and file report at next regular Council meeting.	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.	Clarification <i>Approve emergency commodity and service contracts up to the amount delegated to Authority Management.</i>
Contract Amendments	Commodity contracts can be amended for various reasons by management and typically do not require Board Approval. Commodities and 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. Service contracts that exceed \$100K per year require Board approval	<u>Mgmt. authority</u> <u>Inventory amend. for POs</u> ≤ 30% increase none > 30% increase requires CEO signature <u>Informal Contract <\$50K</u> 50% of original contract or \$8,333, whichever is less, provided contract amount does not exceed \$50K <u>Formal Contract ≥\$50K</u> 15% of original contract or \$250K, whichever is less <u>Equipment Amendment</u> 5% of original contract or \$250K, whichever is less	<u>Change Order</u> 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.	<u>Change Order</u> <u>CIP</u> Cumulative change orders <50% of contingency require Division Manager Director pre-approval. >50% of contingency requires PW Dir. & City Mgr. pre-authorization. Council approval for any that exceed contingency in any amount. Cumulative contract value >\$1M requires Fin. Comm. or GP Board review and Council Approval. <u>Non-CIP</u> Cumulative value exceeding budget amount or >\$1M require Fin. Comm or GP Board & Council approval.	Authorize management to increase commodity contracts so long as the annual contract amount remains less than \$250,000. Authority management for service contract amendments remains the same <u>Public Projects</u> 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. Require Board approval for change orders on formal public projects over 10% or exceeding a total value of \$50,000	<i>Clearly define change order/modifications specifically as they relate to professional and consulting services.</i> <i>Provide Management Authority to increase maintenance services contracts up to Management Authority (\$200,000) which is the same amount considered informal for Public Works projects.</i> <i>Provide Management Authority to increase commodity contracts provided funding is available.</i>

Purchasing Authorities Comparison Chart

	County of Orange	Orange County Transp. Authority (OCTA)	Irvine Ranch Water District	City of Irvine	OCFA Current	OCFA Proposed
Contract Duration	Board approval required for contracts longer than five years	Board approval required for contracts longer than five years	Contracts <i>duration up to five years</i>	Contracts duration typically is up to five years except Consultant Team Program contracts (Professional Services) which is a three-year term.	Allow approval of contracts up to five years. Most solicitations provide a three-year term with two optional one-year extensions.	<i>Include in Roles/Responsibilities Matrix.</i>

RESOLUTION NO. 2019-XX

**A RESOLUTION OF THE ORANGE COUNTY FIRE AUTHORITY
BOARD OF DIRECTORS AMENDING THE
ROLES/RESPONSIBILITIES/AUTHORITIES MATRIX**

A. *WHEREAS*, the Orange County Fire Authority Board of Directors last amended the roles, responsibilities and authorities matrix on January 24, 2019, and

B. *WHEREAS*, the OCFA is recommending to update the roles, responsibilities and authorities matrix to streamline the procurement process; and

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

NOW THEREFORE BE IT RESOLVED, that the Orange County Fire Authority Board of 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 25th day of April 2019.

JOSEPH MULLER, 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	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."		
Automatic and Mutual Aid Agreements	Fire Chief authorized to execute and renew Automatic Aid and Mutual Aid Agreements as necessary.		
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.
Fire Station 41, Air Operations Maintenance Facility - Leases	Negotiate, approve and execute leases and/or lease amendments for Hangars Nos. 1, 2, 3, and 4		

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

	Authority Management	Executive Committee	Board of Directors
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.
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.)
Commodity purchases (materials, equipment & supplies) Ord. 8, Sec. 1-3(18)	Approve purchase of <u>all</u> commodities <u>contracts (selection process per Ord. 8, per Art. III selection process or Art. X cooperative purchasing) for annual contract, amount less than \$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 with an annual contract amount greater than \$250,000. Approved increase to commodity contracts if the increase results in the annual contract being greater than \$250,000.	<u>Approve commodity purchases with the annual adoption of the budget, no further approval is required.</u>

ORANGE COUNTY FIRE AUTHORITY **Roles/Responsibilities/Authorities**

	Authority Management	Executive Committee	Board of Directors
Fixed asset purchases	Approve purchase of <u>all</u> fixed assets contracts (selection process per Ord. 8 per Art. III selection process or Art. X cooperative purchasing) within the budgeted amount approved by the Board of Directors. unit cost less than \$100,000.	Approve purchase of fixed assets with a unit cost greater than \$100,000. Approve purchase of fixed assets that exceed the budgeted amount by more than 15% or \$100,000 (whichever is less).	<u>Approve purchase of fixed assets included in the annual budget with the annual adoption of the budget, no further approval is required.</u>
Service Professional and Consulting Services Contracts - <u>general services and consulting including architectural, engineering, and project management services, professional services, facilities & equipment services, and consulting.</u>	Approve all <u>professional and consulting</u> service contracts (selection process per Ord. 8, Art. III, or Art. X) for annual contract amount <u>where the annual value to any one firm is</u> less than \$100,000. Approve multi-year contracts (maximum five years) so long as the <u>total annual contract amount is less than \$100,000, and the total contract amount does not exceed \$500,000</u> <u>does not exceed Authority Management.</u>	Approve all <u>professional and consulting</u> service contracts in which the annual contract amount <u>value to any one firm</u> exceeds \$100,000. or multi-year contract exceeds \$500,000 when future years are taken into consideration. Contract extensions beyond the initial contract term and allowable contract extensions <u>(exceeding five years)</u> will require Executive Committee approval prior to contract extension.	
<u>Contract Duration</u> <u>Five years (three years plus two additional one-year periods)</u> <u>Applies to contracts exceeding small purchases as defined in Ord. 8 Sec 1-20</u>	<u>Approve extension of contracts within management delegated authority for contracts with a duration up to five years.</u>	<u>Approve extension of contracts exceeding five years or contracts that exceed management delegated authority.</u>	

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

	Authority Management	Executive Committee	Board of Directors
<u>Maintenance Service Contracts - includes repair and maintenance for facilities & equipment.</u>	<p><u>Approve all maintenance service contracts (selection process per Ord. 8, Art. III, or Art. X) for annual contract where the annual value to any one contractor is less than \$200,000.</u></p> <p><u>Approve multi-year contracts (maximum five years) so long as the total annual contract amount does not exceed Authority Management.</u></p> <p><u>Approve maintenance service contract increases within limits delegated herein to Authority Management.</u></p>	<p><u>Approve all maintenance service contracts in which the annual value to any one contractor exceeds \$200,000.</u></p> <p><u>Contract extensions beyond the initial contract term and allowable contract extensions (five year maximum) will require Executive Committee approval prior to contract extension.</u></p>	
Change Orders/ Modifications <u>Professional & Consulting</u> Service Contract Amendments (Non Public Projects)	<p>For <u>professional & consulting</u> service 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>	Approve change order/modifications to any <u>professional & consulting service</u> contracts with original or revised values that exceed those amounts delegated herein to Authority Management.	.
Emergency Purchases (<u>commodity and service contracts</u>)/ Contracts	Approve emergency purchases, as defined in Ord. 8, Sec. 1-3(14) & Sec. 1-22, up to \$100,000. <u>the amounts delegated to Authority Management herein for purchases following standard selection process.</u>	Purchases in excess of \$100,000. <u>the amounts delegated to Authority Management</u> require prior approval of Chair or Vice Chair and must be reported at the next Executive Committee meeting.	

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

	Authority Management	Executive Committee	Board of Directors
Sole Source Contracts	Approve any sole source contracts less than \$50,000 <u>annually</u> , so long as acceptable justification is provided by the using agency <u>department</u> per the requirements in Ord. 8, Sec. 1-21.	Approve any sole source contracts when the aggregate annual amount exceeds \$50,000 <u>or the three-year aggregate amount exceeds \$150,000</u> . <i>Sole source justification form is a required attachment to the staff report.</i>	
Special Procurement Contracts – <i>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.</i>	Approve any special procurement contract less than \$50,000 <u>annually</u> , so long as acceptable justification is provided by the using agency <u>department</u> per the requirements in Ord. 8, Sec. 1-23.	Approve any special procurement contract when the aggregate annual amount exceeds \$50,000 <u>or the three-year aggregate amount exceeds \$150,000</u> . <i>—Special procurement justification form is a required attachment to the staff report.</i>	
Public Projects - <u>Informal & Formal as set forth in the California Public Contract Code Section 22032.</u>	Approve all informal public projects in amounts up to the statutory limits authorized by Public Contract Code Section 22032 (Currently p Projects under \$175 <u>200</u> ,000 <u>effective 1-1-19</u>).		Approve all formal public works contracts in amounts at or above the statutory limits authorized by Public Contract Code Section 22032 (Currently p Projects over \$200 <u>175</u> ,000 <u>effective 1-1-19</u>).

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

	Authority Management	Executive Committee	Board of Directors
Public Projects - Change Orders/ Modifications for in formal and in formal Public Projects as set forth in Public Contract Code Section 22032	<p><u>For informal public projects within the original scope of work, approve change orders in any amount so long as the revised total remains below the statutory limits authorized by Public Contract Code Section 22032 (b).</u></p> <p><u>For formal public projects originally approved by the Board of Directors, approve change orders within the original scope of work.</u> Approve Change Order/modifications for formal and informal Public Projects up to 150% of original contract amount, but less than a total value of \$17,500.</p>	Approve Change Order/modifications for informal Public Projects over 10% of original contract amount, or exceeding a total value of \$17,500.	Approve c Change o Order/modification on formal p Public p Projects over 1 50 % of original contract amount, or exceeding a total value of \$50,000 which ever is less.
Public Projects – Emergency as defined in Public Contract Code Sections 22035 and 22050 (Ord. 8, Sec. 1-53)	Fire Chief or designee has authority to declare an emergency and authorize procurement of 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.		Authorize exemption from procurement requirements by four-fifths vote (at next scheduled meeting) as required per Public Contract Code Sections 22035 and 22050.
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.
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.

ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities

	Authority Management	Executive Committee	Board of Directors
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.
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. and workers' compensation claims under \$250,000.		Approve settlements of claims and litigation in excess of \$50,000 and workers' compensation claims above \$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.

**ORANGE COUNTY FIRE AUTHORITY
Roles/Responsibilities/Authorities**

	Authority Management	Executive Committee	Board of Directors
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 Purchase Agreements for the acquisition of real property.
Secured Fire Protection Agreements	Approve Secured Fire Protection Agreements, using the standard form agreement previously approved by the Board of Directors, and approved as to form by General Counsel.		Approve Secured Fire Protection Agreements that contain material differences from the standard form approved by the 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.	