



ORANGE COUNTY FIRE AUTHORITY AGENDA

Budget and Finance Committee Meeting

Wednesday, February 10, 2021

12:00 Noon

Regional Fire Operations and Training Center

Board Room

1 Fire Authority Road
Irvine, California 92602

Gene Hernandez, Chair

Ed Sachs • Shelley Hasselbrink • Joe Muller

Don Sedgwick • Tri Ta • Vince Rossini

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 the Clerk of the Authority at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Clerk of the Authority at (714) 573-6040 and identify the need and the requested modification or accommodation. Please notify us as soon as is feasible, however 48 hours prior to the meeting is appreciated to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

NOTICE REGARDING PUBLIC PARTICIPATION **DURING COVID-19 EMERGENCY**

During the Statewide COVID-19 Emergency, the public is not permitted to convene in person for this public meeting. However, the public may still view and comment on the meeting as follows:

- To watch the meeting online, please go to website at www.OCFA.org
- To submit an e-comment, please email to PublicComments@ocfa.org.

You may comment on items on the agenda or not on the agenda. Your comments will be forwarded electronically and immediately to the members of the Committee. Comments related to a particular agenda item will only be considered prior to the close of public comments on that item.

CALL TO ORDER

PLEDGE OF ALLEGIANCE by Director Sachs

ROLL CALL

PUBLIC COMMENTS

Please refer to instructions on how to submit a public comment during COVID-19 Emergency on Page 1 of this Agenda.

1. PRESENTATIONS

No items.

2. CONSENT CALENDAR

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

A. Minutes for the January 13, 2021, Regular Budget and Finance Committee Meeting

Submitted by: Maria Huizar, Clerk of the Authority

Recommended Action:

Approve as submitted.

B. Second Quarter Financial Newsletter

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer and Stuart Lam, Budget Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of February 25, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the report.

3. 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 February 25, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

B. Audited Financial Reports for the Fiscal Year Ended June 30, 2020

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Julie Nemes, Finance Manager/Auditor and Tammie Pickens, General Accounting Manager

Recommended Action:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of February 25, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors receive and approve the report.

C. Emergency Medical Services Optimization Study

Submitted by: Brian Fennessy, Fire Chief and Randy Black, Assistant Chief/Emergency Medical Services

Recommended Actions:

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Director's meeting of February 25, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a budget adjustment increasing expenditures in the FY 2020/21 General Fund (121) by \$88,435 for EMS optimization study services.
2. Approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with AP Triton Consulting, LLC for EMS optimization study services in an amount not to exceed \$88,435.

D. Election of Chair and Vice Chair**REPORTS**

No Items.

COMMITTEE MEMBER COMMENTS

ADJOURNMENT – The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, March 10, 2021, at 12:00 noon.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting.

Maria D. Huizar, CMC
Clerk of the Authority

UPCOMING MEETINGS:

Executive Committee
Board of Directors
Budget and Finance Committee

Thursday, February 25, 2021, 5:30 p.m.
Thursday, February 25, 2021, 6:00 p.m.
Wednesday, March 10, 2021, 12 noon

MINUTES ORANGE COUNTY FIRE AUTHORITY

Budget and Finance Committee Meeting

Wednesday, January 13, 2021

12:00 Noon

Regional Fire Operations and Training Center

Board Room

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 January 13, 2021, at 12:02 p.m. by Chair Hernandez.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Gene Hernandez, Yorba Linda, Chair*
Shelley Hasselbrink, Los Alamitos*
Joseph Muller, Dana Point*
Tri Ta, Westminster*
Don Sedgwick, Laguna Hills*
Ed Sachs, Mission Viejo*
Sergio Farias, San Juan Capistrano*

Absent: Vince Rossini, Villa Park

Also present were:

Fire Chief Brian Fennessy	Deputy Chief Lori Zeller
Assistant Chief Robert Cortez	Assistant Chief Randy Black
Assistant Chief Kenny Dossey	Assistant Chief Stephanie Holloman
Assistant Chief Lori Smith	General Counsel David Kendig
Dir. of Corp. Communications Colleen Windsor	
Clerk of the Authority Maria Huizar	
Ex-Officio Member, Jennifer Cervantez	

A. PRESENTATIONS

No Items.

PUBLIC COMMENTS

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

2. CONSENT CALENDAR

On motion of Director Sachs and second by Director Ta, and following a roll call vote, declared passed 7-0 (Director Rossini was absent) 2A-2B.

A. Minutes for the November 4, 2020, Special Budget and Finance Committee Meeting (FILE 12.02B2)

Action: Approve as submitted.

B. Monthly Investment Reports (FILE 11.10D2)

Action: Review the proposed agenda item and direct staff to place the item on the agenda for the Executive Committee meeting of January 28, 2021, with the Budget and Finance Committee's recommendation that the Executive Committee receive and file the reports.

3. DISCUSSION CALENDAR

A. Annual Grant Priorities for 2021 (FILE 11.10G)

Legislative Analyst Jay Barkman presented the Annual Grant Priorities for 2021.

On motion of Director Ta, and second by Director Hasselbrink, and following a roll call vote, declared passed 7-0 (Director Rossini was absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors approve OCFA's Annual Grant Priorities for 2021.

B. FY 2020/2021 Mid-Year Financial Report (FILE 15.04)

Budget Manager Stuart Lam presented the FY 2020/2021 Mid-Year Financial Report.

On motion of Director Ta and second by Director Hernandez, and following a roll call vote, declared passed 7-0 (Director Rossini was absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors take the following actions and direct staff to return to the Board of Directors on March 25, 2021, for approval of the budget adjustments discussed herein for the FY 2020/21 budget.

C. 2020 Long Term Liability Study and Accelerated Pension Payment Plan
(FILE 17.06A)

Treasurer Tricia Jakubiak presented the 2020 Long Term Liability Study and Accelerated Pension Payment Plan.

On motion of Director Sachs and second by Director Ta, and following a roll call vote, declared passed 7-0 (Director Rossini was absent) to review the proposed agenda item and direct staff to place the item on the agenda for the Board of Directors meeting of January 28, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Direct staff to continue the Accelerated Pension Payment Plan as indicated in the Updated Snowball Strategy.
2. Direct staff to adjust the FY 2020/21 General Fund budget to increase expenditures and operating transfers out by a combined value of \$13,534,587 the amount identified as the unencumbered fund balance identified in the FY 2019/20 financial audit, and to allocate the funding among three of OCFA's high-priority funding areas including \$3,000,000 to the Accelerated Pension Payment Plan, \$3,949,257 to the Workers' Compensation Program, and \$6,585,330 to the General Fund to replenish the required 10% contingency reserve. The specific technical budget adjustment to carry-out this action will be included in the March mid-year budget adjustment agenda item for final approval by the Board.

D. Military Service Buy-Back (FILE 17.06)

Deputy Chief Lori Zeller presented the Military Service Buy-Back.

On motion of Director Muller and second by Director Sedgwick, and following a roll call vote, declared passed 4-3 (Directors Sachs, Farias, and Ta opposed, and Director Rossini absent) to review the proposed agenda item and provide direction to staff regarding proposed actions relative to implementation of the military service buy-back option with OCERS, subject to further discussion with the Board of Directors to include the item within the next scheduled labor negotiations with Local 3631.

REPORTS

No Items.

COMMITTEE MEMBER COMMENTS

Director Hernandez restated his support of our military service personnel.

ADJOURNMENT – Chair Hernandez adjourned the meeting at 1:11 p.m. The next regular meeting of the Budget and Finance Committee is scheduled for Wednesday, February 10, 2021, at 12:00 noon.

Maria D. Huizar, CMC
Clerk of the Authority



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
February 10, 2021

Agenda Item No. 2B
Consent Calendar

Second Quarter Financial Newsletter

Contact(s) for Further Information

Robert Cortez, Assistant Chief Business Services Department	robertcortez@ocfa.org	714.573.6012
Tricia Jakubiak, Treasurer	triciajakubiak@ocfa.org	714.573.6301
Stuart Lam, Budget Manager	stuartlam@ocfa.org	714.573.6302

Summary

This routine agenda item is submitted to provide information regarding revenues and expenditures in the General Fund and the Capital Improvement Program Funds through the second quarter of FY 2020/21.

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 February 25, 2021, 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

The Quarterly Financial Newsletter provides information about the General Fund's top five revenue sources as well as expenditures by department and by type. Revenues and expenditures for the Capital Improvement Program (CIP) funds are also included. Revenues and expenditures for the General and CIP Funds through the second quarter of the fiscal year are within budgetary estimates, except where noted in the attached newsletter.

Attachment(s)

Second Quarter Financial Newsletter – July 2020 to December 2020

2nd Quarter July 2020 to December 2020

Financial Newsletter

Summary

The Quarterly Financial Newsletter provides summary level information regarding the General Fund (GF) operating budget and Capital Improvement Program (CIP) budget to highlight revenue and expenditure trends and areas of note.

With the 2nd Quarter (i.e. 50%) of the fiscal year completed, General Fund actual revenues are in line with budget estimates and expenditures are trending higher than anticipated due to OCFA's response to significant fire incidents. Thus far, OCFA received 51.4% of budgeted revenues and expended 51.4% of appropriations.

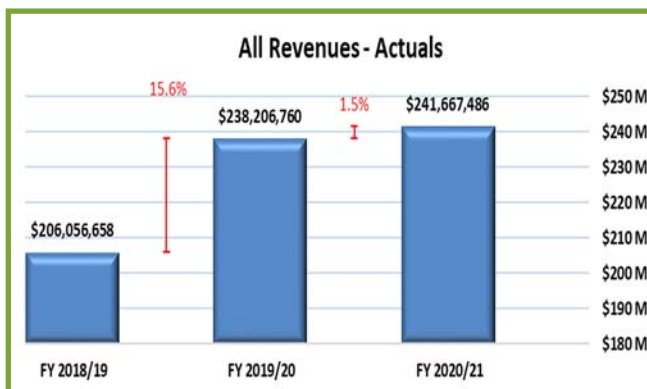
The OCFA expended 27.8% of the GF CIP, 2.4% of Fire Stations & Facilities, 11.5% of Comm. & Info. Systems, and 16.9% of the Fire Apparatus budgets. CIP expenditures are anticipated to be higher in the second half of the fiscal year as projects move beyond the planning stages.

For additional info, see attached newsletter.



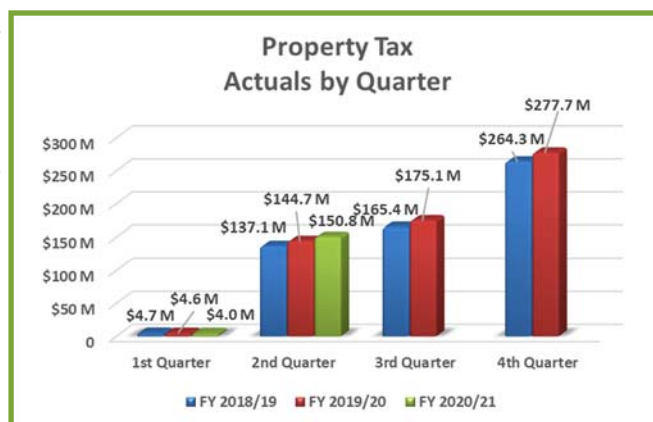
General Fund

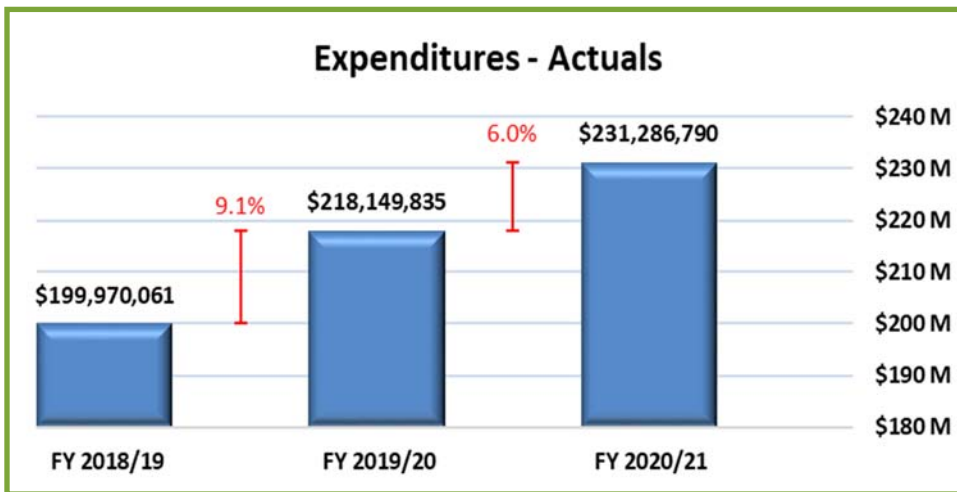
REVENUES - General Fund revenues received as of the 2nd quarter amounted to \$241.7 million, approximately 1.5% higher than the prior year. The increase is primarily due to higher secured property tax revenue. The top five revenues are trending as expected with the exception of CRA pass-through revenue and Community Risk Reduction (CRR) fees which are trending lower than budgetary estimates. CRA Pass-Through revenue is lower than anticipated and



will be monitored for a potential mid-year adjustment. CRR fees have been impacted by a decrease in development activity related to restaurants and entertainment venues and CRR department focus on mandatory inspections as a result of the pandemic.

For the 2nd quarter of fiscal year 2020/21, property taxes are \$6.2 million higher when compared to the prior year. Secured property tax represents over 95% of overall property tax revenue and based on data from the Auditor-Controller, OCFA projects secured property taxes will be \$2.4 million higher than originally budgeted.

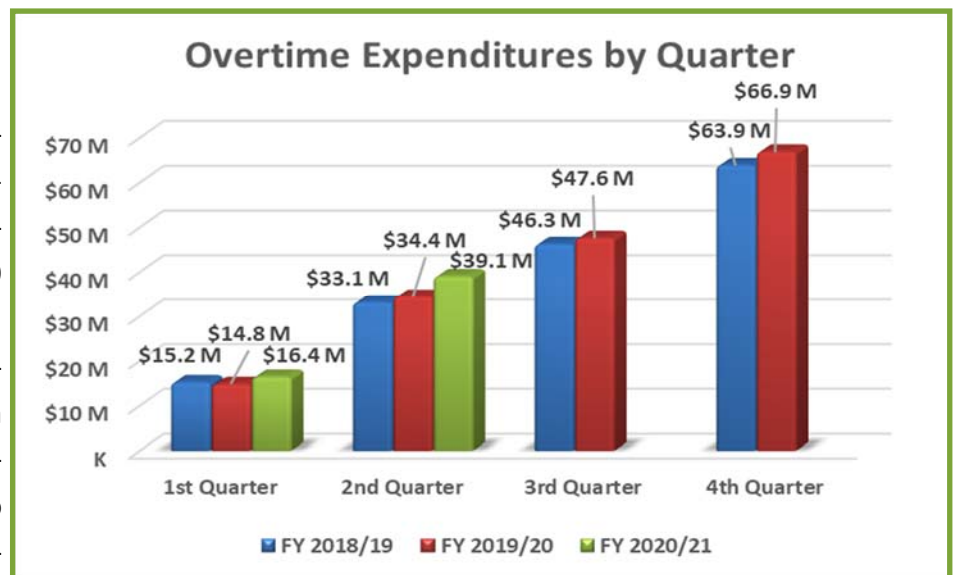




EXPENDITURES — General Fund expenditures through the 2nd quarter amounted to \$231.3 million and reflect an increase of 6.0% when compared to the prior fiscal year. Initial budget estimates projected 2nd quarter expenditures ending at \$214.5 million. Higher than anticipated backfill/overtime expenditures were the main driver due to

OCFA's response to significant Fire incidents. Services, supplies, and equipment expenditures were in line with budgetary estimates.

The following Overtime Expenditures by Quarter chart captures historical cumulative overtime expenditures from fiscal year 2018/19 through the 2nd quarter of fiscal year 2020/21. Actual overtime expenditures are trending higher than last year. Overtime expenses increased this year over last due to emergency incidents. Major incidents include the Apple, August Complex, Blue Ridge, Bond, Castle, Deer, Lake, LNU Lightning Complex, SCU Lightning Complex, and Silverado Canyon fires. These emergency incident overtime expenditures are reimbursable. Open Position overtime, used to fill vacancies in the firefighter ranks, is also contributing to the high backfill/overtime expenditures. This category of overtime which is typically offset by vacancy savings will continue to be monitored.



We hope you have found this summary information illustrative and useful. Additional detailed information is included in following Newsletter pages, including progress for each of the CIP funds.



Orange County Fire Authority

Second Quarter Financial Newsletter – July 2020 to December 2020

OVERVIEW

This report covers fiscal activities in the General Fund and CIP Funds through the second quarter of Fiscal Year 2020/21. Budget figures include all budget adjustments authorized by the Board through the second quarter.

GENERAL FUND

With 50% of the year completed, General Fund revenues are 51.4% of budget and expenditures are 51.4% as shown below:

General Fund (excludes 12110)	YTD Actual	Budget	Variance in Dollars	% Variance
Revenues	241,667,486	469,717,809	228,050,323	51.4%
Expenditures	231,286,790	450,226,216	218,939,426	51.4%

Top Five Revenues. The analysis presented below compares the five largest revenue categories received through the second quarter, as compared to the budgetary estimate for this point in the fiscal year. Categories in which the variance exceeds by 10% or \$1 million, are discussed below the table.

Top Five Revenues	YTD Actual Receipts	Trended YTD Budget Estimate	Variance: Actual to Budget Est.	% Variance
Property Taxes	150,843,496	148,858,057	1,985,439	1%
Cash Contracts	73,970,916	74,198,896	(227,980)	0%
State Reimbursements	7,292,457	7,000,000	292,457	4%
CRA Pass-through	7,738,602	8,813,866	(1,075,264)	-12%
Community Risk Reduction Fees	1,883,213	2,589,087	(705,874)	-27%
Total	241,728,684	241,459,906	268,778	0%

- **Property Taxes** – The variance in property taxes of approximately \$2.0 million, or 1%, is a result of higher than anticipated secured property tax revenue. Based on data from the Auditor-Controller, OCFA projects secured property taxes will be \$2.4 million higher than originally anticipated. As such, Staff has recommended a Mid-Year Budget Adjustment to Property Tax.
- **CRA Pass-through** – The first installment of CRA pass-through revenue received in December was approximately \$1.1 million lower than anticipated due to decreased pass-through revenue received from the County of Orange Successor Agency. A one-time spike in revenue in FY 2018/19 distorted the projections. Staff is working with OCFA's property tax consultant to better understand the cause of the decrease and may recommend a Mid-Year Budget Adjustment.
- **Community Risk Reduction Fees** – Community Risk Reduction (CRR) Fees are \$706K or 27% lower than budgetary estimates for the second quarter due to decreased inspection and

planning & development fee revenue. CRR will continue to focus on State mandated inspections during COVID-19 and will re-evaluate this temporary measure in 2021. Staff is recommending a Mid-Year Budget Adjustment to capture lower revenue tied to non-mandatory inspections and decreased development activity related to restaurants and entertainment venues.

Expenditures. The analysis presented below compares the actual expenditures through the second quarter, as compared to the budgetary estimate for this point in the fiscal year. Categories in which the variance exceeds by 10% or \$1 million, are discussed below the table.

Expenditures by Department	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Budget in Dollars	% Variance
Business Services	16,704,008	16,525,601	178,407	1%
Command & Emergency Planning	4,596,925	3,992,122	604,803	15%
Community Risk Reduction	7,668,317	7,912,556	(244,239)	-3%
EMS	2,840,555	2,700,036	140,519	5%
Executive Management	6,717,670	7,299,972	(582,302)	-8%
Human Resources	5,586,006	6,152,043	(566,037)	-9%
Logistics	17,470,746	16,667,143	803,603	5%
Operations	158,687,786	144,266,382	14,421,404	10%
Special Operations	11,014,778	8,942,087	2,072,691	23%
Total	231,286,790	214,457,942	16,828,848	7%

Totals may not equal the sum of components, or Authority-wide totals, due to rounding

- **Command & Emergency Planning** – The variance of \$605K or 15% in this department is primarily due to increased overtime expenditures. Higher overtime expenditures in the first and second quarters were driven by reimbursable emergency incidents including the Apple, August Complex, Blue Ridge, Bond, Castle, Deer, Lake, LNU Lightning Complex, SCU Lightning Complex, and Silverado Canyon fires. Staff has recommended a Mid-Year Budget Adjustment to cover these expenditures.
- **Operations** – This department is exceeding budget estimates for the second quarter primarily due to a higher volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for reimbursable emergency incidents including the Apple, August Complex, Blue Ridge, Bond, Castle, Deer, Lake, LNU Lightning Complex, SCU Lightning Complex, and Silverado Canyon fires. Open Position overtime, used to fill vacancies in the firefighter ranks, is also contributing to the variance. This category of overtime which is typically offset by vacancy savings will continue to be monitored.
- **Special Operations** – This division ended the second quarter \$2.1 million or 23% above the budgetary estimate, primarily due to overtime for emergency incidents, including the Apple, August Complex, Blue Ridge, Bond, Castle, Deer, Lake, LNU Lightning Complex, SCU Lightning Complex, and Silverado Canyon fires. These expenditures are reimbursable and are anticipated to be covered by a Mid-Year Budget Adjustment.

Expenditures by type are outlined below, with exception details following the table:

Expenditures by Type	YTD Actual Expenditures	Trended YTD Budget Estimate	Variance: Actual to Budget in Dollars	% Variance
Salary and Employee Benefits	208,588,720	191,185,267	17,403,453	9%
Services and Supplies	22,208,702	22,816,669	(607,968)	-3%
Equipment	489,368	456,005	33,363	7%
Total	231,286,790	214,457,942	16,828,848	7%

Totals may not equal the sum of components, or Authority-wide totals, due to rounding

- **Salary & Employee Benefits** – This category is trending over budget estimates for the second quarter by approximately \$17.4 million or 9%. This is primarily due to a high volume of backfill/overtime expenditures. Most of the budgetary variance is due to overtime costs incurred for reimbursable emergency incidents including the Apple, August Complex, Blue Ridge, Bond, Castle, Deer, Lake, LNU Lightning Complex, SCU Lightning Complex, and Silverado Canyon fires. Open Position overtime, used to fill vacancies in the firefighter ranks, is also contributing to the variance. This category of overtime which is typically offset by vacancy savings will continue to be monitored.

CIP FUNDS

Revenues and expenditures for the Capital Improvement Program funds are summarized below. Any variances are noted following the fund table:

General Fund CIP

Fund 12110	YTD Actual	Budget	Percent
Expenditures	3,428,426	12,314,343	27.8%

- This Fund receives transfers from the General Fund as its revenue source.
- Appropriations of \$12.3 million include funding for upgrades, routine maintenance and replacement of equipment such as: enterprise phone/public address system upgrade, fire station bathroom gender accommodation projects, dormitory privacy (FS 41 and FS 53), kitchen, flooring and/or bathroom remodels (FS 41, FS 26 and FS 6), thermal imaging cameras, telephone/alarm system upgrade, data network upgrades, replacement of PCs, laptops, tablets, printers, 800 MHz radios, VHF radios, WMD protective suits/respirator canisters, RFOTC uninterruptible power system, MDC system, high pressure airbags, body armor, duo-dote auto-injectors, fire shelters, and installation of SCBA bottle filling stations.
- Expenditures of approximately \$3.4 million are attributable to the thermal imaging cameras, fire station telephone/alarm/sound system upgrade, network upgrades, replacement PCs, tablets and printers, 800 MHz radios, MDC system, station bathroom gender accommodations, and various IT and Property Management projects described above.

Fire Stations and Facilities

Fund 123	YTD Actual	Budget	Percent
Revenue	113,343	600,212	18.9%
Expenditures	324,431	13,621,771	2.4%

- Revenues in this fund are attributable to interest earned through the second quarter and developer contributions of \$83K.
- Appropriations of \$13.6 million include funding for RFOTC training grounds expansion and upgrade, replacement of FS 10 and FS 24, FS 49 apparatus bay floor reconstruction, infrastructure security enhancements, retrofit of existing fire station life and safety systems, fire station bathroom improvements, US&R warehouse training center improvements, and construction of FS 12.
- Expenditures of approximately \$324K are primarily attributable to RFOTC training ground expansion and upgrade, infrastructure security enhancements, replacement of FS 10.

Communications & Information Systems

Fund 124	YTD Actual	Budget	Percent
Revenue	12,703	17,104	74.3%
Expenditures	564,556	4,922,093	11.5%

- Revenues in this fund are attributable to interest earned through the second quarter.
- Appropriations of \$4.9 million include funding for: enterprise audio video equipment upgrades, RFOTC data center fire suppression system, disaster recovery co-location facility, incident reporting application replacement, integrated fire prevention system replacement, EMS enterprise system development, EMS immunization tracking, and theHIVE cloud upgrade.
- Year to date expenditures of \$565K are primarily attributable to the progress on the disaster recovery co-location facility, integrated fire prevention system replacement projects, and EMS immunization tracking.

Fire Apparatus

Fund 133	YTD Actual	Budget	Percent
Revenue	1,016,527	1,710,978	59.4%
Expenditures	2,641,608	15,596,698	16.9%

- Revenues in this fund are attributable to vehicle replacement program payments from cash contract cities and interest earned through the second quarter.
- Appropriations of \$15.6 million include vehicle outfitting, 2 HazMat vehicles, a US&R support vehicle, a heavy rescue vehicle, an air utility vehicle, 2 squad vehicles, 5 100' quint trucks, 7 utility pickups, a superintendent vehicle, 9 mid-size pickups, 10 vans, 3 crew cab

pickups, 2 light service trucks, 3 full-size SUVs, and other miscellaneous emergency and support vehicles.

- Expenditures through the second quarter include a heavy rescue vehicle, light service trucks, mid-size pickups, utility pickups, full and mid-size SUVs, step and cargo vans and outfitting costs.

SUMMARY

For more information. This summary is based on detailed information from our financial system. If you would like more information or have any questions about the report, please contact Stuart Lam, Budget Manager at 714-573-6302, or Tricia Jakubiak, Treasurer at 714-573-6301.



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
February 10, 2021

Agenda Item No. 3A
Discussion Calendar

Monthly Investment Reports

Contact(s) for Further Information

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James Slobojan, Assistant Treasurer
Treasury & Financial Planning

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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 February 25, 2021, 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 December 31, 2020. A preliminary investment report as of January 22, 2021, is also provided as the most complete report that was available at the time this agenda item was prepared.

Attachment(s)

Final Investment Report – December 2020/Preliminary Report – January 2021

Orange County Fire Authority Monthly Investment Report



Final Report – December 2020

Preliminary Report – January 2021



Monthly Investment Report Table of Contents

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Orange County Fire Authority

Final Investment Report

December 31, 2020



EXECUTIVE SUMMARY

Portfolio Activity & Earnings

During the month of December 2020, the size of the portfolio increased by \$78.6 million to \$207.3 million. Significant receipts for the month included monthly cash contract payments, secured and supplemental apportionments of property taxes, intergovernmental agency and grant payments and other charges for current services totaling \$127.8 million. Significant disbursements for the month included primarily two biweekly payrolls which totaled approximately \$37.8 million with related benefits. Total December cash outflows amounted to approximately \$50.4 million. The portfolio's balance is expected to decrease significantly in January with the annual payment to OCERS for the prepayment of retirement costs and a lack of significant receipts expected for the month.

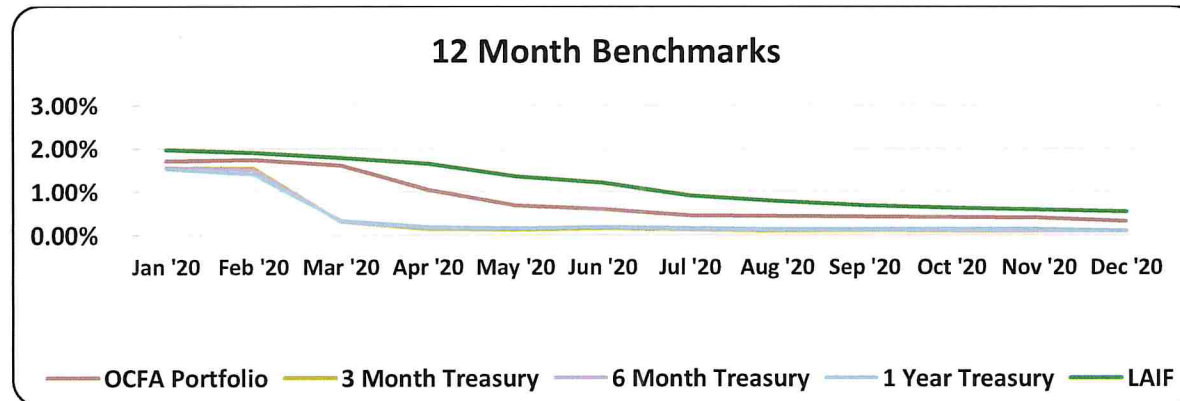
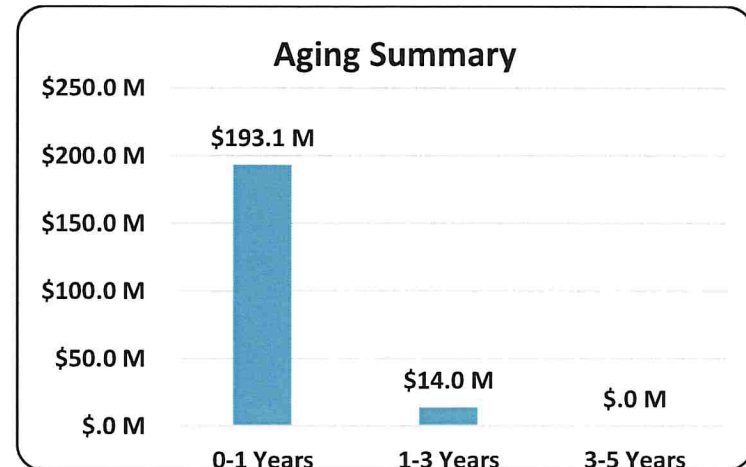
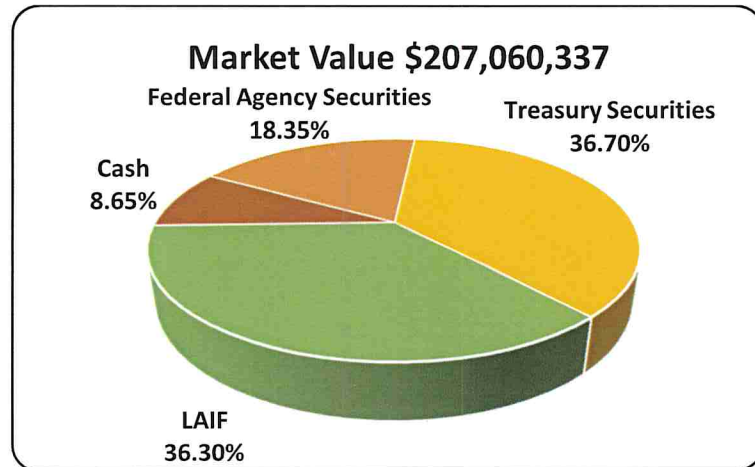
In December, the portfolio's yield to maturity (365-day equivalent) decreased by 12 basis points to 0.26%. The effective rate of return decreased by 4 basis points to 0.35% for the month, and the average maturity of the portfolio lengthened by 13 days to 27 days to maturity.

Economic News

In December 2020, the U.S. economy continued to struggle, as it did in November, with the unemployment rate remaining unchanged at 6.7%. Job growth reversed as the labor market lost 140,000 jobs in the first decline in payrolls in 8 months. The leisure and hospitality sector felt the biggest impact while other sectors made small gains. One encouraging sign is that permanent job losses declined this month with many of the job losses attributed to temporary furloughs which could be added back when the pandemic eases. Retail sales decreased 0.7%, falling for the third consecutive month. December marks the second month where the retail sales number dropped more than what was predicted by economists. The November number was also revised to a 1.4% decline instead of a 1.1% decline. Consumer confidence dropped for a second straight month in December and became another indicator, along with the disappointing holiday retail performance, that the economic recovery was losing steam amid a virus surge and renewed restrictions on business operations. Manufacturing activity rose and continued its recovery in December. The non-manufacturing/service sector grew in December, beating forecasts and continuing expansion of the non-manufacturing sector. Industrial production - the combined output of factories, utilities, and mines - advanced 1.6%. Consumer prices climbed slightly by 0.4% in December and 1.4% over last year. On December 16, the Federal Open Market Committee met and voted to keep the federal funds rate unchanged at the target range of 0.00%-0.25%. They indicated rates will remain near zero until 2023.



PORTFOLIO HAS AMPLE LIQUIDITY AND IS EXCEEDING TREASURY BENCHMARKS AS OF DECEMBER 31, 2020





BENCHMARK COMPARISON AS OF DECEMBER 31, 2020

3 Month T-Bill: 0.09%

1 Year T-Bill: 0.10%

6 Month T-Bill: 0.09%

LAIF: 0.54%

OCFA Portfolio: 0.35%

PORTFOLIO SIZE, YIELD, & DURATION

	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year</u>
<i>Book Value</i>	\$207,265,868	\$128,829,246	\$206,205,550
<i>Yield to Maturity (365 day)</i>	0.26%	0.38%	1.73%
<i>Effective Rate of Return</i>	0.35%	0.39%	1.77%
<i>Days to Maturity</i>	27	14	30



ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Summary
December 31, 2020

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

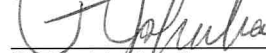
(See Note 1 on page 10)

(See Note 2 on page 10)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Call/ Maturity	YTM / Call 360 Equiv.	YTM / Call 365 Equiv.
Federal Agency Coupon Securities	14,000,000.00	13,986,420.00	14,000,000.00	7.41	1,003	172	0.187	0.190
Federal Agency Disc. -Amortizing	24,000,000.00	23,999,640.00	23,999,403.33	12.70	42	13	0.076	0.077
Treasury Discounts -Amortizing	76,000,000.00	75,996,720.00	75,996,453.74	40.21	48	29	0.056	0.057
Local Agency Investment Funds	75,000,000.00	75,170,348.85	75,000,000.00	39.68	1	1	0.533	0.540
Investments	189,000,000.00	189,153,128.85	188,995,857.07	100.00%	99	27	0.257	0.261
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	17,907,134.11	17,907,134.11	17,907,134.11		1	1	0.000	0.000
Accrued Interest at Purchase		73.89	73.89					
Subtotal		17,907,208.00	17,907,208.00					
Total Cash and Investments	206,907,134.11	207,060,336.85	206,903,065.07		99	27	0.257	0.261

Total Earnings	December 31 Month Ending	Fiscal Year To Date
Current Year	43,672.24	313,026.04
Average Daily Balance	145,142,172.67	144,252,183.11
Effective Rate of Return	0.35%	0.43%

"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, 2020. 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

1/1/21

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 206,903,065.07
GASB 31 Adjustment to Books (See Note 3 on page 9)	\$ 362,803.09
Total	\$ 207,265,868.16

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
December 31, 2020

(See Note 1 on page 10) (See Note 2 on page 10)

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		07/01/2020	0.00	0.00	0.00	0.010	0.010	1	
Subtotal and Average			8,273,935.71		0.00	0.00	0.00		0.000	0	
Federal Agency Coupon Securities											
3133EMLE0	1020	Federal Farm Credit Bank (Callable 6-22-21)		12/23/2020	14,000,000.00	13,986,420.00	14,000,000.00	0.190	0.190	172	09/22/2023
Subtotal and Average			4,064,516.13		14,000,000.00	13,986,420.00	14,000,000.00		0.190	172	
Federal Agency Disc. -Amortizing											
313385AF3	1012	Fed Home Loan Bank		11/13/2020	12,000,000.00	12,000,000.00	11,999,858.33	0.085	0.087	5	01/06/2021
313385AX4	1015	Fed Home Loan Bank		12/24/2020	12,000,000.00	11,999,640.00	11,999,545.00		0.067	21	01/22/2021
Subtotal and Average			17,999,269.13		24,000,000.00	23,999,640.00	23,999,403.33		0.077	13	
Treasury Discounts -Amortizing											
912796A66	1013	US Treasury Bill		11/18/2020	10,000,000.00	9,999,900.00	9,999,770.83	0.075	0.077	11	01/12/2021
9127963U1	1014	US Treasury Bill		11/25/2020	15,000,000.00	14,999,850.00	14,999,783.33	0.040	0.041	13	01/14/2021
9127963U1	1016	US Treasury Bill		12/23/2020	15,000,000.00	14,999,850.00	14,999,756.25	0.045	0.046	13	01/14/2021
9127963W7	1017	US Treasury Bill		12/23/2020	12,000,000.00	11,999,400.00	11,999,263.33	0.065	0.067	34	02/04/2021
9127964D8	1018	US Treasury Bill		12/23/2020	12,000,000.00	11,999,040.00	11,999,120.00	0.055	0.057	48	02/18/2021
9127964F3	1019	US Treasury Bill		12/23/2020	12,000,000.00	11,998,680.00	11,998,760.00	0.060	0.062	62	03/04/2021
Subtotal and Average			39,804,451.71		76,000,000.00	75,996,720.00	75,996,453.74		0.057	29	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmnt Fund			75,000,000.00	75,170,348.85	75,000,000.00	0.540	0.540	1	
Subtotal and Average			75,000,000.00		75,000,000.00	75,170,348.85	75,000,000.00		0.540	1	
Total and Average			145,142,172.67		189,000,000.00	189,153,128.85	188,995,857.07		0.261	27	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
December 31, 2020

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		07/01/2020	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2020	17,887,134.11	17,887,134.11	17,887,134.11		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		73.89	73.89			1
				Subtotal		17,907,208.00	17,907,208.00			
Total Cash and Investments			145,142,172.67		206,907,134.11	207,060,336.85	206,903,065.07		0.261	27

Orange County Fire Authority

In Service of Others!



ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of January 1, 2021

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	(01/01/2021 - 01/01/2021)	4 Maturities	0 Payments	92,907,134.11	44.90%	92,907,134.11	93,077,482.96
Aging Interval: 1 - 30 days	(01/02/2021 - 01/31/2021)	5 Maturities	0 Payments	64,000,000.00	30.93%	63,998,713.74	63,999,240.00
Aging Interval: 31 - 60 days	(02/01/2021 - 03/02/2021)	2 Maturities	0 Payments	24,000,000.00	11.60%	23,998,383.33	23,998,440.00
Aging Interval: 61 - 90 days	(03/03/2021 - 04/01/2021)	1 Maturities	0 Payments	12,000,000.00	5.80%	11,998,760.00	11,998,680.00
Aging Interval: 91 - 120 days	(04/02/2021 - 05/01/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	(05/02/2021 - 01/01/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(01/02/2022 - 01/01/2024)	1 Maturities	0 Payments	14,000,000.00	6.77%	14,000,000.00	13,986,420.00
Aging Interval: 1096 days and after	(01/02/2024 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		13 Investments	0 Payments		100.00	206,902,991.18	207,060,262.96



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, 2020 includes an increase of \$368,460 to the LAIF investment and a decrease of (\$5,657) 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 December 31, 2020, OCFA has \$75,000,000 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, 2020 is 1.002271318. When applied to OCFA's LAIF investment, the fair value is \$75,170,349 or \$170,349 above cost. Although the fair value of the LAIF investment is higher than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at December 31, 2020 is included on the following page.



State of California

Pooled Money Investment Account

Market Valuation

12/31/2020

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest
United States Treasury:				
Bills	\$ 35,405,712,930.37	\$ 35,432,444,038.95	\$ 35,437,534,000.00	NA
Notes	\$ 22,978,289,919.79	\$ 22,975,600,175.26	\$ 23,203,472,000.00	\$ 87,687,683.50
Federal Agency:				
SBA	\$ 457,313,707.11	\$ 457,313,707.11	\$ 453,196,763.66	\$ 194,387.40
MBS-REMICs	\$ 13,009,086.19	\$ 13,009,086.19	\$ 13,667,627.97	\$ 60,269.69
Debentures	\$ 2,847,411,888.51	\$ 2,847,280,694.06	\$ 2,860,796,440.00	\$ 5,309,372.25
Debentures FR	\$ 50,004,819.33	\$ 49,999,902.66	\$ 49,999,902.66	\$ 7,000.00
Debentures CL	\$ 500,000,000.00	\$ 500,000,000.00	\$ 499,778,000.00	\$ 675,389.00
Discount Notes	\$ 15,173,292,694.21	\$ 15,178,921,383.10	\$ 15,179,217,080.00	NA
Supranational Debentures	\$ 418,341,915.19	\$ 417,532,042.97	\$ 418,199,950.00	\$ 2,285,076.75
Supranational Debentures FR	\$ 150,065,910.68	\$ 150,065,910.68	\$ 150,116,479.89	\$ 71,271.38
CDs and YCDs FR	\$ 300,000,000.00	\$ 300,000,000.00	\$ 300,031,000.00	\$ 55,330.75
Bank Notes	\$ -	\$ -	\$ -	\$ -
CDs and YCDs	\$ 15,150,000,000.00	\$ 15,150,000,000.00	\$ 15,149,513,647.63	\$ 14,168,375.02
Commercial Paper	\$ 8,843,502,722.19	\$ 8,847,289,347.29	\$ 8,847,888,754.14	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits	\$ 4,396,500,000.00	\$ 4,396,500,000.00	\$ 4,396,500,000.00	NA
PMIA & GF Loans	\$ 691,023,000.00	\$ 691,023,000.00	\$ 691,023,000.00	NA
TOTAL	\$ 107,374,468,593.57	\$ 107,406,979,288.27	\$ 107,650,934,645.95	\$ 110,514,155.74

Fair Value Including Accrued Interest

\$ 107,761,448,801.69

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

The value of each participating dollar equals the fair value divided by the amortized cost (1.002271318).
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,045,426.35 or \$20,000,000.00 x 1.002271318.



Orange County Fire Authority

Preliminary Investment Report

January 22, 2021



ORANGE COUNTY FIRE AUTHORITY **Portfolio Management** **Portfolio Summary** **January 22, 2021**

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

(See Note 1 on page 19)

(See Note 2 on page 19)

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Call Maturity	YTM/Call 360 Equiv.	YTM/Call 365 Equiv.
Federal Agency Coupon Securities	14,000,000.00	14,000,420.00	14,000,000.00	9.59	1,003	150	0.187	0.190
Treasury Discounts -Amortizing	57,000,000.00	56,995,560.00	56,996,293.35	39.04	63	39	0.061	0.062
Local Agency Investment Funds	75,000,000.00	75,170,348.85	75,000,000.00	51.37	1	1	0.533	0.540
Investments	146,000,000.00	146,166,328.85	145,996,293.35	100.00%	121	30	0.315	0.320
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	8,095,040.76	8,095,040.76	8,095,040.76		1	1	0.000	0.000
Accrued Interest at Purchase		73.89	73.89					
Subtotal		8,095,114.65	8,095,114.65					
Total Cash and Investments	154,095,040.76	154,261,443.50	154,091,408.00		121	30	0.315	0.320

Total Earnings	January 22 Month Ending	Fiscal Year To Date
Current Year	29,084.82	342,110.86
Average Daily Balance	185,174,153.96	148,622,490.68
Effective Rate of Return	0.26%	0.41%

"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, 2021. 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
 Patricia Jakubiak, Treasurer

Cash and Investments with GASB 31 Adjustment:

Book Value of Cash & Investments before GASB 31 (Above)	\$ 154,091,408.00
GASB 31 Adjustment to Books (See Note 3 on page 18)	\$ 362,803.09
Total	\$ 154,454,211.09

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Investments
January 22, 2021

(See Note 1 on page 19) (See Note 2 on page 19)

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call Maturity	Maturity Date
Money Mkt Mutual Funds/Cash											
SYS528	528	Federated Treasury Obligations		07/01/2020	0.00	0.00	0.00	0.010	0.010	1	
Subtotal and Average			11,383,730.14		0.00	0.00	0.00		0.000	0	
Federal Agency Coupon Securities											
3133EMLE0	1020	Federal Farm Credit Bank		12/23/2020	14,000,000.00	14,000,420.00	14,000,000.00	0.190	0.190	150	09/22/2023
Subtotal and Average			14,000,000.00		14,000,000.00	14,000,420.00	14,000,000.00		0.190	150	
Federal Agency Disc. -Amortizing											
Subtotal and Average			14,181,598.49								
Treasury Discounts -Amortizing											
9127963W7	1017	US Treasury Bill		12/23/2020	12,000,000.00	11,999,760.00	11,999,740.00	0.065	0.067	12	02/04/2021
9127964D8	1018	US Treasury Bill		12/23/2020	12,000,000.00	11,999,520.00	11,999,523.33	0.055	0.057	26	02/18/2021
9127964F3	1019	US Treasury Bill		12/23/2020	12,000,000.00	11,999,160.00	11,999,200.00	0.060	0.062	40	03/04/2021
9127964N6	1021	US Treasury Bill		01/06/2021	9,000,000.00	8,998,920.00	8,999,190.02	0.060	0.062	54	03/18/2021
9127964P1	1022	US Treasury Bill		01/14/2021	12,000,000.00	11,998,200.00	11,998,640.00	0.060	0.062	68	04/01/2021
Subtotal and Average			70,587,257.06		57,000,000.00	56,995,560.00	56,996,293.35		0.062	39	
Local Agency Investment Funds											
SYS336	336	Local Agency Invstmt Fund			75,000,000.00	75,170,348.85	75,000,000.00	0.540	0.540	1	
Subtotal and Average			75,021,568.27		75,000,000.00	75,170,348.85	75,000,000.00		0.540	1	
Total and Average			185,174,153.96		146,000,000.00	146,166,328.85	145,996,293.35		0.320	30	

ORANGE COUNTY FIRE AUTHORITY
Portfolio Management
Portfolio Details - Cash
January 22, 2021

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 365	Days to Call Maturity
Money Mkt Mutual Funds/Cash										
SYS10033	10033	Revolving Fund		07/01/2020	20,000.00	20,000.00	20,000.00		0.000	1
SYS4	4	Union Bank		07/01/2020	8,075,040.76	8,075,040.76	8,075,040.76		0.000	1
Average Balance			0.00	Accrued Interest at Purchase		73.89	73.89			1
				Subtotal		8,095,114.65	8,095,114.65			
Total Cash and Investments			185,174,153.96		154,095,040.76	154,261,443.50	154,091,408.00		0.320	30

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ORANGE COUNTY FIRE AUTHORITY
Aging Report
By Maturity Date
As of January 23, 2021

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	(01/23/2021 - 01/23/2021)	4 Maturities	0 Payments	83,095,040.76	53.92%	83,095,040.76	83,265,389.61
Aging Interval: 1 - 30 days	(01/24/2021 - 02/22/2021)	2 Maturities	0 Payments	24,000,000.00	15.57%	23,999,263.33	23,999,280.00
Aging Interval: 31 - 60 days	(02/23/2021 - 03/24/2021)	2 Maturities	0 Payments	21,000,000.00	13.63%	20,998,390.02	20,998,080.00
Aging Interval: 61 - 90 days	(03/25/2021 - 04/23/2021)	1 Maturities	0 Payments	12,000,000.00	7.79%	11,998,640.00	11,998,200.00
Aging Interval: 91 - 120 days	(04/24/2021 - 05/23/2021)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 121 - 365 days	(05/24/2021 - 01/23/2022)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Aging Interval: 366 - 1095 days	(01/24/2022 - 01/23/2024)	1 Maturities	0 Payments	14,000,000.00	9.09%	14,000,000.00	14,000,420.00
Aging Interval: 1096 days and after	(01/24/2024 -)	0 Maturities	0 Payments	0.00	0.00%	0.00	0.00
Total for		10 Investments	0 Payments		100.00	154,091,334.11	154,261,369.61



NOTES TO PORTFOLIO MANAGEMENT REPORT

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- 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, 2020 includes an increase of \$368,460 to the LAIF investment and a decrease of (\$5,657) to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks yet allow that liquidity to be invested while payment of the outstanding checks is pending.

GLOSSARY

INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

Local Agency Investment Fund (LAIF). A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of \$75 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because

deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot to exceed 1/4 of a percent of the earnings.

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

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

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

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

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

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

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

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

Yield. Rate of return on a bond.

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

ECONOMIC TERMS

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

Consumer Price Index (CPI). A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.

Durable Goods Orders. An economic indicator released monthly that reflects new orders placed with domestic manufacturers for delivery of factory durable goods such as autos and appliances in the near term or future.

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

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

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

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

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

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

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

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



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
February 10, 2021

Agenda Item No. 3B
Discussion Calendar

Audited Financial Reports for the Fiscal Year Ended June 30, 2020

Contact(s) for Further Information

Robert C. Cortez, Assistant Chief Business Services Department	robertcortez@ocfa.org	714.573.6012
Julie Nemes, Finance Manager/Auditor	julienemes@ocfa.org	714.573.6304
Tammie Pickens, General Accounting Manager	tammiepickens@ocfa.org	714.573.6320

Summary

This annual agenda item is submitted to present the OCFA's Single Audit Report for the fiscal year ended June 30, 2020.

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 Board of Directors meeting of February 25, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors receive and approve the report.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

See attached expanded background.

Attachment(s)

Single Audit Report for the Year Ended June 30, 2020

BACKGROUND

Lance, Soll & Lunghard, LLP, Certified Public Accountants (LSL), performed OCFA's annual financial audit for Fiscal Year 2019/20. Their work included a Single Audit of federal grant expenditures. Although the audit work was completed in September 2020, LSL delayed issuance of the final report until the Office of Management and Budget (OMB) released specific audit guidance relating to COVID-19 federal grants. The final Single Audit report for Fiscal Year 2019/20 is now finalized and being submitted for approval.

The Single Audit Report (Attachment 1) includes a review of federal grant funds expended by OCFA during the fiscal year. The major program selected for more in-depth testing was the Assistance to Firefighters Grant (AFG) program, which included grants for Fire Ground Survival (FGS) and COVID-19 Supplemental. Below is a summary of the auditors' results as described in the report:

	Financial Statements (Financial Reporting)	Federal Awards (Major Federal Programs)
Type of opinion	Unmodified	Unmodified
Internal control:		
Material weakness identified?	No	Yes
Significant deficiency identified?	No	No
Noncompliance material to the financial statements noted?	No	n/a
Findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?	n/a	Yes

The auditors identified one material weakness in internal control and related questioned costs pertaining to the Fire Ground Survival (FGS) grant. It was noted that OCFA expended grant funds on props, other supplies, and contractual security services that, although generally eligible as training-related activities per 2018 AFG grant guidelines, were not specifically approved by the grant agreement's scope of work. OCFA subsequently prepared and submitted reimbursement requests to FEMA for those costs. As a result, LSL has identified a total of \$80,906 in questioned grant costs relating to the material weakness as follows:

Fire Ground Survival Project Cost Description	Grant Agreement Budget	Actual Amounts Expended	Questioned Costs
Supplies:			
Props	\$ 45,600	\$ 87,330	\$41,730
Other supplies	-	8,944	8,944
	45,600	96,274	50,674
Contractual:			
Train-the-Trainer course	70,000	66,670	n/a
Facility rental	20,000	13,539	n/a
Security services	-	30,232	30,232
	90,000	110,441	30,232
Total non-personnel costs	\$135,600	\$206,715	\$80,906

The FGS grant agreement's scope of work authorized the purchase of four training props at a combined cost of \$45,600. OCFA purchased two training props at a combined cost of \$87,330, resulting in a grant budget overage of \$41,730. Additional unbudgeted training supplies totaling \$8,944 included a forty-foot storage container, breathing apparatus blackout shields, extension cords, lumber, various hand tools and totes, cleaning and decontamination supplies for the classroom, bungee cords, an easel, and other miscellaneous supplies. In February 2020, training activities were placed on hold due to the onset of the COVID-19 pandemic and subsequent stay-at-home order. OCFA incurred \$30,232 in unbudgeted security services to temporarily monitor the training supplies and props stored at the Great Park.

LSL has recommended that OCFA implement a system of review over reimbursement requests relating to the Assistance to Firefighters Grant (AFG) to ensure that amounts submitted to FEMA for reimbursement include only approved costs and activities per the grant agreement and that program budgets are not exceeded. We concur with the auditor's finding. Effective September 16, 2020, additional review and approval processes have been established for purchases and cash reimbursement requests pertaining to the Assistance to Firefighters Grant (AFG). These process changes enhance both the preventive and detective internal controls over allowable costs and cash management.

OCFA's Grant Manager is responsible for writing and submitting AFG proposals, including the grant's budget and scope of work. The Grant Manager will review and approve all purchase requisitions submitted by the AFG Program Manager prior to the purchase being made, ensuring that purchases are specifically within the approved scope of work and budgeted amount. If necessary, the Grant Manager will request and obtain a budget amendment from FEMA prior to finalizing the purchase. Any purchases made via Cal Cards will be reviewed in a similar manner and, if necessary, reclassified to a non-grant cost center. Finally, the Cost Accounting Manager in the Finance Division will conduct a more thorough audit of the AFG expenditure records while preparing the cash reimbursement requests, including a comparison to the original grant award budget. The Grant Manager will review and approve all AFG cash reimbursement requests compiled by the Cost Accounting Manager prior to their submission to FEMA.



ORANGE COUNTY FIRE AUTHORITY

JUNE 30, 2020

SINGLE AUDIT REPORT

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ORANGE COUNTY FIRE AUTHORITY

SINGLE AUDIT REPORT

JUNE 30, 2020

ORANGE COUNTY FIRE AUTHORITY

SINGLE AUDIT REPORT

JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the Orange County Fire Authority (the "Authority"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed



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

no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California
October 8, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Orange County Fire Authority (the "Authority")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Orange County Fire Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness. Additional material weaknesses may exist that have not been identified.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the Authority, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 8, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California

December 31, 2020 (except for the Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance which is dated October 8, 2020)

ORANGE COUNTY FIRE AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Program / Project Identification Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:				
Direct assistance via Federal Emergency Management Agency:				
National Urban Search and Rescue (US&R) Response System:				
2016 Cooperative Agreement 1st Supplemental	97.025	EMW-2016-CA-00013A	N/A	\$ 38,205
2016 Cooperative Agreement 2nd Supplemental	97.025	EMW-2016-CA-00013B	N/A	70,010
2017 Cooperative Agreement	97.025	EMW-2017-CA-00039	N/A	47,499
2018 Cooperative Agreement	97.025	EMW-2018-CA-00006	N/A	372,703
2019 Cooperative Agreement	97.025	EMW-2019-CA-00064	N/A	736,615
Subtotal - CFDA 97.025				1,265,032
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2016-FH-00565	N/A	1,258,629
Subtotal - CFDA 97.083				1,258,629
2018 Assistance to Firefighters Grant (AFG) - Fire Ground Survival Training	97.044	EMW-2018-FO-04863	N/A	427,834
2020 Assistance to Firefighters Grant (AFG) - COVID-19 Supplemental	97.044	EMW-2020-FG-01698	N/A	718,635
Subtotal - CFDA 97.044 *				1,146,469
Homeland Security Grant Program:				
Passed through the Orange County Sheriff's Department:				
2018 Orange County Intelligence Assessment Center	97.067	DHS 2018-SS-00054	11-195-0784	168,473
Subtotal - Passed through the Orange County Sheriff's Department				168,473
Total U.S. Department of Homeland Security				3,838,603
Total Federal Expenditures				\$ 3,838,603

* Major Program

Note a: Refer to Note 1 to the Schedule of Expenditures of Federal Awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

ORANGE COUNTY FIRE AUTHORITY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the Orange County Fire Authority (the "Authority"), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Authority from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the Authority becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

ORANGE COUNTY FIRE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☒ yes ☐ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ☒ yes ☐ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

97.044	Assistance to Firefighters Grant
--------	----------------------------------

Dollar threshold used to distinguish between type A and type B program	\$750,000
--	-----------

Auditee qualified as low risk auditee? ☒ yes ☐ no

ORANGE COUNTY FIRE AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2020-001 – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Cash Management

Material Weakness/Instance of Noncompliance

Federal Award Information

CFDA Number: 97.044
Program Title: Assistance to Firefighters Grant
Federal Award Number(s): EMW-2018-FO-04863; EMW-2020-FG-01698
Federal Award Year(s): 2018 and 2020
Name of Federal Agency: U.S. Department of Homeland Security (FEMA)

Criteria or Specific Requirement

The grant agreement's approved scope of work approved a program budget of \$45,600 for supplies and \$90,000 for contractual services to accomplish program objectives. The supplies budget specified a purchase of four training props for use by Fire Ground Survival (FGS) program trainees. The contractual services budget specifies the cost of the FGS course and rental of the training facility.

Condition

As part of our audit testing, we reviewed costs charged to the program and requested for reimbursement by the Orange County Fire Authority (the "Authority"). We noted that the Authority spent \$87,330 on props and \$8,944 on other supplies which were not specifically approved by the grant agreement's scope of work. This resulted in supplies expenditures exceeding approved amounts by \$50,674, with the other supplies. Additionally, the Authority spent \$30,232 on contractual security services which were not specifically approved by the grant agreement's scope of work.

Cause of the Condition

Staff prepared reimbursement requests which included all costs and activities associated with the FGS program, as they were believed to be implicitly approved for reimbursement by the grant agreement, despite not being specifically approved by the grant scope of work.

Effect or Possible Effect

The Authority requested reimbursement for approved supplies which exceeded the program budget, and other supplies which were not specifically approved by the grant scope of work. Additionally, the expenditures related to the security services were not specifically approved by the grant scope of work. This resulted in costs requested for reimbursement which were not approved under the terms of the grant agreement.

Questioned Costs

Total questioned costs were \$80,906.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2020-001 – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Cash Management (Continued)

Context

As there are only three (3) reimbursement requests submitted during the year, we examined all the requests for reimbursement with their associated expenditure details. No other costs or activities were identified as falling outside the approved scope of work. Authority staff were aware of some of these unapproved costs and had corrected the amount reported on the schedule of expenditures of federal awards but did not have the opportunity to correct the reimbursement requests prior to submission.

Repeat Finding

This is a new finding for the fiscal year ended June 30, 2020.

Recommendation

We recommend that Authority implement a system of review of the reimbursement requests to ensure that costs submitted to FEMA include only approved costs and activities, and that program budgets are not exceeded.

Management Response

We concur with the auditor's finding. Effective September 16, 2020, additional review and approval processes have been established for purchases and cash reimbursement requests pertaining to the Assistance to Firefighters Grant (AFG). These process changes enhance both the preventive and detective internal controls over allowable costs and cash management.

OCFA's Grant Manager is responsible for writing and submitting AFG proposals, including the grant's budget and scope of work. The Grant Manager will review and approve all purchase requisitions submitted by the AFG Program Manager prior to the purchase being made, ensuring that purchases are specifically within the approved scope of work and budgeted amount. If necessary, the Grant Manager will request and obtain a budget amendment from FEMA prior to finalizing the purchase. Any purchases made via Cal Cards will be reviewed in a similar manner and, if necessary, reclassified to a non-grant cost center. Finally, the Cost Accounting Manager in the Finance Division will conduct a more thorough audit of the AFG expenditure records while preparing the cash reimbursement requests, including a comparison to the original grant award budget. The Grant Manager will review and approve all AFG cash reimbursement requests compiled by the Cost Accounting Manager prior to their submission to FEMA.



ORANGE COUNTY FIRE AUTHORITY

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Brian Fennessy, Fire Chief

(714) 573-6000

www.ocfa.org

Summary Schedule of Prior Year Findings and Questioned Costs For the Fiscal Year Ended June 30, 2019

Finding: 2019-001

Status: Corrected



ORANGE COUNTY FIRE AUTHORITY

P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Road, Irvine, CA 92602

Brian Fennessy, Fire Chief

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Corrective Action Plan

Finding: 2020-001

Name of Contact Person: Robert Cortez, Assistant Chief of Business Services

Corrective Action: We concur with the auditor's finding. Effective September 16, 2020, additional review and approval processes have been established for purchases and cash reimbursement requests pertaining to the Assistance to Firefighters Grant (AFG). These process changes enhance both the preventive and detective internal controls over allowable costs and cash management.

OCFA's Grant Manager is responsible for writing and submitting AFG proposals, including the grant's budget and scope of work. The Grant Manager will review and approve all purchase requisitions submitted by the AFG Program Manager prior to the purchase being made, ensuring that purchases are specifically within the approved scope of work and budgeted amount. If necessary, the Grant Manager will request and obtain a budget amendment from FEMA prior to finalizing the purchase. Any purchases made via Cal Cards will be reviewed in a similar manner and, if necessary, reclassified to a non-grant cost center. Finally, the Cost Accounting Manager in the Finance Division will conduct a more thorough audit of the AFG expenditure records while preparing the cash reimbursement requests, including a comparison to the original grant award budget. The Grant Manager will review and approve all AFG cash reimbursement requests compiled by the Cost Accounting Manager prior to their submission to FEMA.

Proposed Completion Date: September 16, 2020



Orange County Fire Authority
AGENDA STAFF REPORT

Budget and Finance Committee Meeting
February 10, 2021

Agenda Item No. 3C
Discussion Calendar

Emergency Medical Services Optimization Study

Contact(s) for Further Information

Brian Fennessy, Fire Chief	brianfennessy@ocfa.org	714.573.6010
Randy Black, Assistant Chief Emergency Medical Services	randyblack@ocfa.org	714.573.6008

Summary

This agenda item is submitted for approval to issue a special procurement contract to AP Triton Consulting, LLC (AP Triton) to provide an optimization study of Orange County Fire Authority's (OCFA) existing Emergency Medical Services (EMS) delivery system.

Prior Board/Committee Action

The Ad Hoc Committee for the Study of Options for Cash Contract Cities held its first meeting on February 3, 2021. One of the areas that the Committee requested as an avenue of research is to explore revenue options that might assist our Cash Contract Cities. The EMS Optimization Study proposed herein is anticipated to provide revenue generating options, some of which the Ad Hoc Committee may be able to consider for helping our Cash Contract member agencies.

RECOMMENDED ACTION(S)

Review the proposed agenda item and direct staff to place the item on the agenda for the Board of Director's meeting of February 25, 2021, with the Budget and Finance Committee's recommendation that the Board of Directors:

1. Approve a budget adjustment increasing expenditures in the FY 2020/21 General Fund (121) by \$88,435 for EMS optimization study services.
2. Approve and authorize the Purchasing Manager to execute the proposed Professional Services Agreement with AP Triton Consulting, LLC for EMS optimization study services in an amount not to exceed \$88,435.

Impact to Cities/County

Not Applicable.

Fiscal Impact

An increase of expenditures in the FY 2020/21 General Fund, Executive Management Department, in the amount of \$88,435.

Background

Project Implementation

The purpose of this project is to conduct an EMS optimization study of the existing EMS delivery system, which will include an evaluation of expanded EMS delivery service opportunities. The initial phases will include a comprehensive review of data relevant to OCFA's current EMS

delivery system. This includes applicable state and local laws, current demographics and land use plans, billing and collection policies, and incident data such as latitude/longitude, timestamps to calculate response times, ambulance transport/hospital turnaround times, provider impressions, patient outcomes, computer aided dispatch records, and GIS data. AP Triton will complete an assessment of the current OCFA EMS delivery system, staffing configurations and identify potential optimization opportunities and additional EMS services. AP Triton will then provide recommendations to optimize the OCFA EMS Delivery System, identify short, mid, and long term strategies, and deliver projections on the fiscal impacts of optimization. AP Triton's methodology has been utilized in similar studies with other agencies.

Recommendation

Staff is recommending approval of the budget adjustment to increase expenditures in the general fund and issue the professional services agreement to AP Triton. The recommended agreement will be issued for a one-year term in an amount not to exceed \$88,435.

Special Procurement Justification

A "special procurement" contract is recommended (per the Purchasing Ordinance and Roles/Responsibilities/Authorities Matrix) 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. AP Triton, formed in 2014, is uniquely qualified to provide EMS optimization study services. While other firms may be able to provide similar services, the AP Triton team has a significant amount of experience in providing evaluations, design and implementation of Emergency Medical Service delivery systems. They also have extensive experience within Orange County in the valuation of fire protection and EMS delivery systems.

Numerous fire agencies in California have utilized AP Triton for these services including San Bernardino County Fire Protection District and Ventura County Fire, along with the Anaheim, Brea, Costa Mesa, Fountain Valley, Fullerton, and Huntington Beach municipal fire departments. Additionally, OCFA has previously utilized AP Triton to provide consulting services related to fee schedules and revenue projections.

Attachment(s)

1. Professional Services Agreement
2. Special Procurement Form

**ORANGE COUNTY FIRE AUTHORITY
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made and entered into this 27th day of February, 2021 by and between the Orange County Fire Authority, a public agency, hereinafter referred to as "OCFA", and AP Triton Consulting, LLC, hereinafter referred to as "Firm". OCFA and Firm are sometimes individually referred to herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, OCFA requires the services of a qualified firm to provide Emergency Medical Service Optimization Study Services, hereinafter referred to as "Project"; and

WHEREAS, Firm has submitted to OCFA a proposal dated January 2021, incorporated herein by this reference ("Proposal"); and

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

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

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

AGREEMENT

1. PROFESSIONAL SERVICES

1.1 Scope of Services

In compliance with all terms and conditions of this Agreement, Firm shall provide those services specified in the Proposal, attached hereto as Exhibit "A", which includes by reference and by addendum: any amendments, addendums, change orders, or modifications mutually agreed upon by the parties hereto ("Services" or "Work"). Firm warrants that all Services shall be performed in a competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Firm represents and warrants that it and all employees, subconsultants and subcontractors providing any Services pursuant to this Agreement shall have a sufficient skill and experience to perform the Services. All Services shall be completed to the reasonable satisfaction of the OCFA. In the event of any inconsistency between the terms contained in the Scope of Services, and/or the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement and then the Scope of Services shall govern, in that order.

1.2 Compliance with Law

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

1.3 Licenses and Permits

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

1.4 Familiarity with Work

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

1.5 Care of Work

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

1.6 Additional Services

Firm shall perform services in addition to those specified in the Scope of Services when directed to do so in writing by the OCFA Purchasing Manager, provided that Firm shall not be required to perform any additional services without compensation. Any additional compensation must be approved in writing by the OCFA. The Parties acknowledge and understand that the OCFA approval process will vary depending on the scope of any requested change. To determine the appropriate approval process, the Orange County Fire Authority Roles/Responsibilities/Authorities Matrix, as may be amended, shall control.

2. TIME FOR COMPLETION

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

3. COMPENSATION OF FIRM

3.1 Compensation of Firm

For the Services rendered pursuant to this Agreement, Firm shall be compensated and reimbursed, in accordance with the pricing set forth in Exhibit "A," in an amount not to exceed Eighty Eight Thousand Four Hundred Thirty Five Dollars (\$88,435).

3.2 Method of Payment

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

3.3 Changes

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

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

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

3.4 Appropriations

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

4. PERFORMANCE SCHEDULE

4.1 Time of Essence

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

4.2 Schedule of Performance

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

4.3 Force Majeure

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

4.4 Term

This agreement shall continue in full force and effect for one year unless earlier terminated in accordance with Sections 8.5 or 8.6 of this Agreement. The contract may be renewed upon mutual written agreement between OCFA and the Firm.

5. COORDINATION OF WORK

5.1 Representative of Firm

The following principal of the Firm is hereby designated as being the principal and representative of Firm authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith: **John Stouffer**

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

5.2 Contract Officer

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

5.3 Prohibition Against Subcontracting or Assignment

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

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

5.3.2.1 Withholding Payment for Non-Authorized Subcontractors. OCFA shall have the right to withhold payment from Firm

for Services performed by any subcontractor or subconsultant performing Services but not authorized in writing by OCFA, or regarding which the insurance or other requirements under this Agreement have not been satisfied.

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

5.4 Independent Contractor

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

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

5.4.3 No OCFA benefits shall be available to Firm, its officers, employees, or agents, in connection with the performance of any Work or Services under this Agreement. Except for professional fees paid to Firm as provided for in this Agreement, OCFA shall not pay salaries, wages, or other compensation to Firm for the performance of any Work or Services under this Agreement. OCFA shall not be liable for

compensation or indemnification to Firm, its officers, employees, or agents, for injury or sickness arising out of performing any Work or Services hereunder. If for any reason any court or governmental agency determines that the OCFA has financial obligations, other than pursuant to Section 2 herein, of any nature relating to salary, taxes, or benefits of Firm's officers, employees, representatives, agents, or subconsultants or subcontractors, Firm shall defend, indemnify, and hold harmless OCFA from and against all such financial obligations.

5.6 Employee Retirement System Eligibility Indemnification

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

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

6. INSURANCE AND INDEMNIFICATION

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

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

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

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

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

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

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

6.2.2 Commercial General Liability Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal & advertising injury with limits no less than one million dollars (\$1,000,000.00) per occurrence and two million dollars

(\$2,000,000.00) aggregate. If a general aggregate limit applies, the general aggregate limit shall be no less than two million dollars (\$2,000,000.00). Coverage for products and completed operations is required with limits no less than two million dollars (\$2,000,000.00) aggregate. CGL insurance shall be provided on an occurrence-based coverage form; a "claims made" CGL policy is not acceptable. Firm shall maintain CGL insurance with per-claim, aggregate and products and operations completed limits no lower than the minimum CGL coverage limits set forth above. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for any of the following: (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) any other exclusion contrary to this Agreement.

6.2.3 Automobile Liability Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile liability insurance written on a per occurrence basis with limits of at least one million dollars (\$1,000,000.00) combined limit for each occurrence covering bodily injury, disease and property damage. Defense costs shall be paid in addition to the policy limits. The policy shall specifically include coverage for owned, non-owned, leased, and hired automobiles, and be endorsed to eliminate any exclusion applicable to any of them.

6.2.4 Workers' Compensation Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance with limits no less than one million dollars (\$1,000,000.00), and in compliance with all other statutory requirements applicable in the State of California. Firm hereby waives on its own behalf, and shall obtain an endorsement from its workers' compensation insurer waiving on the insurance company's behalf, all rights of subrogation against the OCFA, its board members, officials, officers, employees, agents and volunteers.

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

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

6.3 Acceptability of Insurers. Each insurance policy required by this section shall be issued by a licensed company authorized to transact business by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Line Insurers (LASLI)), by the latest edition of A.M. Best's Key Rating Guide, except that the OCFA will accept

workers' compensation insurance from the State Compensation Fund. In the event the OCFA determines that the Services to be performed under this Agreement creates an increased or decreased risk of loss to the OCFA, the Firm agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the OCFA.

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

6.4 Specific Insurance Provisions and Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the OCFA for written approval. Required insurance policies shall contain the following provisions, or Firm shall provide endorsements on forms approved by the OCFA to add the following provisions to the insurance policies:

6.4.1 CGL and Auto Liability Endorsements. The policy or policies of insurance required by this Agreement for CGL and Automobile Liability Insurance shall be endorsed as follows:

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

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

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

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

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

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

6.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the OCFA in advance. The decision whether to approve or withhold approval of a deductible or self-insured retention shall be made by the OCFA in the OCFA's sole and absolute discretion. (Firm may request pre-approval from OCFA of a deductible or self-insured retention prior to submitting Firm's Proposal).

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

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

6.7 Evidence of Coverage. Concurrently with the execution of the Agreement, Firm shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required to be maintained by Firm by this Section 5. Firm shall promptly furnish, at OCFA's request, copies of actual policies

including all declaration pages, endorsements, exclusions and any other policy documents OCFA requires to verify coverage.

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

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

6.7.3 Renewal/Replacement Policies. At least fifteen (15) days prior to the expiration of any policy required by this Agreement, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the OCFA. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Firm shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the OCFA evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies meeting all requirements of this Agreement.

6.8 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Firm; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to the OCFA. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Firm under this Agreement. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for losses of any type or amount.

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

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

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

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

6.11.1 Firm shall provide immediate written notice to OCFA if (1) any of the insurance policies required herein are terminated, cancelled, suspended, or non-renewed (2) the limits of any of the insurance coverages required herein are reduced; (3) any required insurance coverage is reduced below the required minimum limits through claims or otherwise, or (4) the deductible or self-insured retention is increased.

6.11.2 All insurance coverage and limits required under this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the OCFA or its operations shall limit the application of such insurance coverage.

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

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

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

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

6.12 Indemnification.

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

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

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

7. RECORDS AND REPORTS

7.1 Reports

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

7.2 Records

Firm shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and enable the Contract Officer to

evaluate the performance of such Services. Except as provided in Section 7.5, the Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit and make records and transcripts from such records.

7.3 Ownership of Documents

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

7.4 Release of Documents

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

7.5 Confidential Materials

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

8. ENFORCEMENT OF AGREEMENT

8.1 California Law

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

8.2 Waiver

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

8.3 Rights and Remedies are Cumulative

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

8.4 Legal Action

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

8.5 Termination Prior to Expiration of Term

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

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

8.6 Termination for Default of Firm

If termination is due to the failure of the Firm to fulfill its obligations under this Agreement, OCFA may take over the work and prosecute the same to completion by contract or otherwise, and the Firm shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the compensation herein stipulated, provided that OCFA shall use reasonable efforts to mitigate damages, and

OCFA may withhold any payments to the Firm for the purpose of set-off or partial payment of the amounts owed to OCFA.

8.7 Attorneys' Fees

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

9. OCFA OFFICERS AND EMPLOYEES; NON-DISCRIMINATION

9.1 Non-Liability of OCFA Officers and Employees

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

9.2 Covenant Against Discrimination

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

10. MISCELLANEOUS PROVISIONS

10.1 Confidentiality

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

10.2 Notice

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

Orange County Fire Authority
Attention: Sara Kennedy
1 Fire Authority Road
Irvine, CA 92602

WITH COPY TO:
David E. Kendig, General Counsel
Woodruff, Spradlin & Smart
555 Anton Blvd. Suite 1200
Costa Mesa, CA 92626

To Firm:

AP Triton Consulting, LLC
Attention: John Stouffer
1851 Heritage Lane, Suite 138
Sacramento, CA 95815

10.2 Integrated Agreement

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

10.3 Amendment

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

10.4 Severability

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

10.5 Corporate Authority

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

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

"OCFA"

ORANGE COUNTY FIRE AUTHORITY

Date: _____

By: _____

Sara Kennedy, CPPB
Purchasing Manager

APPROVED AS TO FORM.

By: _____

David E. Kendig
General Counsel

ATTEST:

Maria D. Huizar
Clerk of the Board

Date: _____

"FIRM"

AP TRITON CONSULTING, LLC

Date: 01.29.2021

By: _____

Kurt P. Henke
Principal / Managing Partner

EXHIBIT "A"
Scope of Services



Orange County Fire Authority

Irvine, California

Proposal to conduct an Emergency Medical Services Optimization Study

January 2021



AP TRITON

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Project Understanding & Approach

Understanding of the Project

AP Triton Consulting, LLC (Triton) recognizes that the Orange County Fire Authority (OCFA) desires to hire a qualified consulting firm to conduct an EMS Optimization Study of its existing emergency medical services delivery system, which will include an evaluation of the potential feasibility of adding ground emergency medical transport services. This will include recommendations for improvements and future strategies.

AP Triton's Approach

Triton's approach to projects represents our complete understanding of your expectations and our experience in working with fire departments, emergency medical services (EMS) organizations, and other emergency services agencies in a wide variety of communities throughout the United States. Key elements of Triton's methodology include:

- A comprehensive understanding of the project background, goals and objectives, and the complex issues that must be addressed.
- A comprehensive, well-designed, and practical scope of work (SOW) and workplan that enables substantial input from the key stakeholders, leadership, other relevant individuals.
- Use of state-of-the-art geographic information systems (GIS), computer modeling and data analysis tools, web-based communications technology, and many other sophisticated tools and technologies.
- Utilization of experienced subject-matter experts in the fire service, EMS, and other related emergency services disciplines, as well as individuals with expertise in GIS and data analysis.
- Commitment to successfully complete our projects and deliverables within the time requested, and in a manner that would meet or exceed expectations.
- High-quality electronic and printed and bound reports with contents and recommendations that will easily enable the client, key stakeholders, and community members to understand.

Best Practices & National Standards

Based on the type of project and study requirements, Triton will refer to and utilize current industry best practices, along with relevant national standards promulgated by a wide variety of associations and organizations that develop consensus standards for the fire service, EMS, communications, and other related services.

Project Scope of Work

The following represents the Scope of Work (SOW) prepared by Triton based on the needs of your organization. The various sections and tasks have been developed specifically for this project.

Section One—Project Initiation & Information Acquisition

Task 1-A: Initiation & Development of a Work Plan

Triton will converse with the management team of the Orange County Fire Authority who will be involved in the study, or its project liaisons, to develop a complete understanding of the jurisdiction's backgrounds, goals, and expectations for the project.

Triton's Senior Project Manager will develop and refine a proposed work plan that will guide the project team. This work plan will be developed identifying:

- Project team members responsible for each task
- Major tasks to be performed
- Resources to be utilized
- Methods for evaluating study results
- Any potential constraints or issues related to accomplishing specific tasks

The benefits of this process will be to develop working relationships between the Triton Project Team and client representative, determine communications processes, and identify logistical needs for the project.

Task 1-B: Procurement of Information & Data

Triton will request pertinent information and data from OCFA and any other agencies as necessary. This information is critical and will be used extensively in the analysis and development of the report. Thoroughly researched and relevant studies will be included during Triton's review. The documents and information applicable to this project will include, but not be limited to, the following:

- Any previous studies, if applicable
- Applicable state and local laws, ordinances, tax information, regulations, and contracts
- Annual reports, budget history, budget projections, revenue analysis, and audits
- Service-demand and response data
- Collective bargaining agreement(s), if applicable

- Fire and EMS resource deployment standard operating guidelines (SOG) and general EMS policies; including dispatch center protocols on EMS incidents
- Description and policies regarding the OCFA's EMS Continuous Quality Improvement (CQI) program and plans
- Current demographics, land use, and growth plans
- Contractual agreements with cities, including financial components
- Current EMS standing orders and patient-care protocols
- OCFA organizational chart
- List of local hospitals and tertiary care facilities and their clinical capabilities, and those assigned as Base Hospitals
- Billing and collection policies; third-party billing company
- Details on the Paramedic Subscription Program
- An inventory of facilities, apparatus, and major EMS equipment
- Incident data from the OCFA records management system (RMS) exported to an Excel® spreadsheet format (3–5 years prior to current year):
 - Incident records to include locations by latitude/longitude (if available) and full address; timestamps to allow for calculation of response times, turnout times, call-processing times; response-mode to scene; ambulance transport and hospital turnaround times; including transport mode (lights & siren vs. no lights & siren) to hospital; and other data elements that may be requested
 - Records from the Patient Care Reporting System (PCRS) (without any identifying information and in accordance with HIPAA) that include EMS provider impression, level of care provided (ALS vs. BLS), and patient outcomes (if available)
 - Number of patient refusals and treat and release percentages
 - Any other electronic records as may be useful for this project
- Computer-aided dispatch (CAD) incident records (3–5 years prior to current year) relevant to OCFA from the Communications & Technology Division
- Local Geographic Information Systems (GIS) data on the overall service area of OCFA; response zones for each station; city and town boundaries, street, roadway, transportation network, and other applicable shapefiles and other relevant GIS data
- Any other documents and records necessary for the successful completion of the project

Section Two—Evaluation of Current Conditions

Task 2-A: Stakeholder Input & Field Work

The Triton project team will interview key stakeholders associated with this study. Interviews may be conducted in-person as well as using online technology. From these interviews, Triton obtains additional perspective on operational, economic, and policy issues confronting the organization. Information will be gathered from key personnel including:

- Fire Chief and members of the OCFA Executive Team
- Representative(s) of the bargaining unit (Orange County Professional Firefighters, IAFF Local 3631)
- Random selection of firefighters, company officers, and paramedics assigned to operations (confidential on-line survey)
- OCFA EMS Medical Director
- Representative(s) of Orange County EMS (Orange County EMS Administrator, etc.)
- Representative(s) of the Communications & Technology Division
- Any other individuals or organizations necessary for the completion of this study

Task 2-B: General Overview of the OCFA Organizational Structure

A general overview of the Orange County Fire Authority's organizational structure will be developed as it relates to expanded EMS opportunities.

Task 2-C: Orange County EMS System Overview

Triton will review each of the relevant elements and organizations that comprise the EMS delivery system and support programs in Orange County, to include but be not limited to:

- Review of current EMS transport agencies operating and providing 911 ambulance service in Orange County
- Review the various ambulance delivery systems within the OCFA jurisdiction
 - County Exclusive Operating Areas
 - City contracted ambulance services
 - Other opportunities to provide ambulance services
- Public Safety Answering Point (PSAP), 911, and dispatch services
- Hospitals and tertiary facilities and online medical control

- County-level EMS Administration and medical direction
- Local air medical scene-response service (rotor-wing)
- Any other relevant programs, services, and organizations

Task 2-D: OCFA Staffing & Personnel

Triton will review the staffing levels of OCFA and their relevance to EMS delivery. Areas to be considered include, but are not limited to:

- Review and evaluate administration, operational, and support staffing levels as they would relate to expanded EMS (medical first response, transport)

Task 2-E: Budget & Finance

Triton will evaluate the current costs of service and the likely implementation cost for the improvements provided. Budget modeling permits analysis of staffing schemes, facility/vehicle redeployment, service efficiency, and program cost. This allows for the measurement of the effect of any proposed system change. Triton will also determine the public cost of EMS service as a separate and distinct function from fire protection and related services. This will also identify where these services overlap, representing either cost-efficiencies (using the same resources for multiple purposes efficiently) or opportunity costs (use of a resource to the exclusion of other intended uses). Included in this task is the analysis of:

- Overall operating budget, funding, fees, taxation, and financial resources
- EMS operating budget as a subset of the OCFA budget, including funding, fees, taxation, and other financial resources
- The calculation of a public cost for any conceptual model identified, and the comparison of that cost with baseline estimates and various industry benchmarks
- An estimate of the impact of growth and resource needs (equipment, facilities, and personal services)
- Payer mix within the OCFA service area
- A detailed staffing cost estimate that quantifies staffing increases
- Determination of potential impacts to wages, hours, and working conditions for any conceptual models
- Recognition of areas where there may likely be short- and long-term savings or costs
- Potential first responder fees

Task 2-F: Capital Facilities & Apparatus

This task will entail a review of current major capital assets (facilities and apparatus). This evaluation will include:

Facilities—Tour and make observations in areas critical of current station location and future station considerations. This will entail a cursory review of each facility and not a detailed, comprehensive engineering analysis. Items to be contained in the report include:

- Design
- Construction
- Safety
- Future viability
- Staff facilities
- Efficiency

Apparatus/Ambulances/Vehicles—Review and make recommendations regarding inventory of apparatus, ambulances, and capital medical equipment. Items to be reviewed include:

- Age, condition, and serviceability
- Distribution and deployment

Task 2-G: EMS Service-Delivery & Performance

To the extent data is available, Triton will review and observe areas affecting service levels and operational performance. These will include, but not necessarily be limited to:

- EMS Service-Demand
 - Analysis and Geographical Information Systems (GIS) display of current service-demand by incident type
 - Analysis and GIS display of current service-demand by temporal variation
 - GIS display of historical incident-density locations
 - Projected demand due to growth
- EMS Resource Distribution
 - Overview of current *facility* deployment strategy, analyzed through GIS software as appropriate, with identification of service gaps and redundancies, as it relates to expanded EMS delivery opportunities
 - Overview of current EMS deployment strategy, analyzed through GIS software as appropriate, with identification of service gaps and redundancies, as it relates to expanded EMS delivery opportunities.
- Response Reliability
 - Analysis of current workload, including unit hour utilization (UHU) of individual companies (to the extent data is complete)
 - Analysis of call concurrency and impact on EMS system effectiveness

- Response-Performance Analysis
 - Analysis of actual system turnout-time performance analyzed by individual components (to the extent data is available)
 - Analysis of other components in the response-time continuum, including call-processing times
- Analysis of patient-care records, to include treat and release percentages and ratios of Basic Life Support (BLS) versus Advanced Life Support (ALS) cases

Task 2-H: EMS Continuous Quality Improvement

Triton will review the various components and processes utilized by OCFA for its EMS CQI program, as it relates to expanded EMS delivery opportunities.

Task 2-I: Other Observations

During this study, Triton may identify other issues related to EMS optimization and may make additional recommendations accordingly.

Section Three—EMS Optimization Strategies & Recommendations

Triton will consider all of the information and analyses results from Section Two, as well as any other relevant information, to include at least the following:

Task 3-A: Recommended Short-Term Strategies

Identify and list recommended short-term strategies for EMS system optimization.

Task 3-B: Recommended Mid-Term Strategies

Identify and list recommended mid-term strategies for EMS system optimization.

Task 3-C: Recommended Long-Term Strategies

Identify and list recommended long-term strategies for EMS system optimization.

Section Four—Future Opportunities for EMS Service Delivery

Triton will explore the potential feasibility of adding ground alternative service-delivery models by OCFA, to include but not be limited to:

Task 4-A: Emergency Operations & Deployment

- Medical first-response unit deployment locations (fire stations) using GIS
- Staffing levels as it relates to expanded EMS delivery opportunities
- System Status Management (SSM), as it relates to expanded EMS delivery opportunities
- Modifications to dispatch protocols, as it relates to expanded EMS delivery opportunities

Task 4-B: Staffing & Personnel Requirements

- Additional operations staff requirements
- Shift schedules for alternative service-delivery models
- Administrative staff required to support alternative models

Task 4-C: Capital Vehicle & Equipment Needs

- Apparatus and vehicle requirements
- Capital medical and durable equipment needs
- Any other equipment and materials required

Task 4-D: Financial Impact

- Projected implementation and ongoing operational and administrative costs
- First responder fees
- Projected revenue from transports
- Billing and collection
- Other fiscal issues or requirements

Task 4-E: Other Issues

- Union and personnel support
- Regulatory and legal requirements
- Political issues and other potential constraints
- Initial staff training requirements
- Possible electronic patient-care reporting upgrades to OCFA's RMS
- Community support among the cities and elected and appointed officials
- Any other issues that would need to be considered

Section Five—Development, Review, & Delivery of Final Report

Task 5-A: Development & Review of the Draft Report

Triton will develop and produce an electronic version of the draft written report for technical review by representatives of the Orange County Fire Authority. This feedback is a very important aspect of this project, and Triton will provide adequate opportunities for review and discussion of the draft report prior to finalization. The report will include:

- Clearly designated recommendations
- Detailed narrative analysis of each report element clearly written and presented in sections with explanatory support to ensure an understanding by all readers
- Supportive charts, graphs, GIS maps and analyses, and diagrams, where appropriate

Task 5-B: Publication of the Final Report

Following a final technical review and approval by OCFA, Triton will provide a total of twenty-five (25) printed and bound copies and an electronic version (PDF format) of the report.

Task 5-C: Presentation of the Final Report

Triton will conduct 1–2 final presentations of the report to representatives of the Orange County Fire Authority and any other individuals or groups as requested.

Estimated Project Timeline & Fee Proposal

Project Completion Timelines

Triton offers the following project timeline, which is subject to change based upon the mutual agreement of the Orange County Fire Authority and AP Triton Consulting, LLC. The timeline will not begin until Triton has been provided with all information and data necessary for the successful completion of the project. Triton will make every effort to complete the project in less time than anticipated.

Estimated Time to Complete the Project: 9–12 months

Project Fee Proposal

AP Triton Consulting, LLC presents the following formal cost proposal for the project outlined in the Scope of Work. The fee Triton is proposing to perform this study is inclusive of expenses:

Project Section	Fees & Expenses
Section 1: Project Initiation & Information Acquisition	\$5,695
Section 2: Evaluation of Current Conditions	\$48,930
Section 3: EMS Optimization Strategies & Recommendations	\$4,009
Section 4: Future Opportunities for EMS Transport	\$13,182
Section 5: Development, Review, & Delivery of Final Report	\$16,619
Proposed Project Fee (will not exceed):	\$88,435

Payment Schedule & Invoicing

- First-third payment due upon signing of the contract.
- Second-third due at submission of draft report for technical review.
- Final payment due at completion of the project.
- Additional hours will be billed at a rate of \$180/hour for the Project Manager and \$140/hour for consultants plus any additional travel expenses.

Cost Quotation Information

- Bid quotation is valid for 30 days.
- Triton Federal Employer Identification Number: 47-2170685.
- Triton shall perform any additional work on a time and materials basis as requested in writing by the client at a negotiated hourly rate.

About AP Triton Consulting

Contact Information

The headquarters of AP Triton Consulting, LLC is based in Sacramento, California. Consultants and subject matter experts are located throughout the United States.

- **Address:** 1851 Heritage Lane, Suite 138, Sacramento, CA 95815
- **Phone:** 707-266-4309
- **E-Mail:** info@aptriton.com
- **Website:** www.aptriton.com
- **Project Manager (John Stouffer):** 509-823-4435/jstouffer@aptriton.com

About AP Triton

Established in 2014, AP Triton has a wide range of experience in the fire service, emergency medical services, fire prevention, and life-safety programs. What sets us apart from the rest:

- AP Triton is the **only** consulting firm that has personal experience in design, development, implementation, and management of small- to large-size emergency medical services, including ambulance transport systems.
- AP Triton has extensive experience in valuing fire protection and EMS delivery systems, as well as accessing both revenue and federal cost-recovery programs, such as Ground Emergency Medical Transport (GEMT) and Inter-Governmental Transfer (IGT).
- AP Triton is the **only** company in the United States with experience in designing enabling legislation and developing the state plan amendments for federal reimbursement (Medicaid) to public agencies.
- AP Triton has successfully negotiated public/private partnerships that have resulted in tens of millions of dollars in enhanced revenue for our clients, allowing them to invest in their communities by improving the services provided.
- AP Triton is the exclusive consultant to both the Metro Chiefs Association of California and the California Fire Chiefs Association (CalChiefs) on all EMS issues.

Additionally, our consultants have conducted numerous studies involving Master Plans, Community Risk Assessments/Standards of Cover, Strategic Plans, fire department consolidation studies, EMS systems analyses, staffing studies, agency evaluations, fire station location and engineering studies, and other unique fire service and EMS studies.

Conflict of Interest & Disclosures

Conflict of Interest Statement

Triton has neither directly nor indirectly entered into any agreement, participated in any collusion or collusion activity, or otherwise taken any action which in any way restricts or restrains the competitive nature of this solicitation, including but not limited to the prior discussion of terms, conditions, pricing, or other offer parameters required by this solicitation. Triton is not presently suspended or otherwise prohibited by any government from participation in this solicitation or any other contracting to follow thereafter. Neither Triton nor anyone associated with Triton has any potential conflict of interest because of or due to any other clients, contracts, or property interests in this solicitation or the resulting project. In the event that a conflict of interest is identified in the provision of services, Triton will immediately notify the client in writing.

Insurance

Certificates of insurance are available upon request.

Litigation

Triton has no past and/or pending litigation or unresolved lawsuits.

Appendix 1: Qualifications of the Project Team

John A. Stouffer

Senior Project Manager



Summary of Qualifications

Mr. Stouffer began his career in public safety in 1976 as a firefighter/EMT with Yakima County (WA) Fire District #10, where he established the first EMS program in the department. In 1980, he attended the Paramedic Program at Central Washington University and obtained a position with Yakima (WA) Medic One becoming a field paramedic and the organization's first Training Officer. In 1988, he was offered the position of the Director of the Yakima County (WA) Department of Emergency

Medical Services. After holding that position for nine years, he took a position with Gresham (OR) Fire & Emergency Services as the EMS Coordinator, occasionally serving as the acting Chief of the Training Division, until his retirement in 2009. Since 1992, in addition to his other employment, Mr. Stouffer has been providing a wide variety of public safety consulting services to clients throughout North America.

Professional Experience

- Western Region Manager, Emergency Services Consulting International (ESCI) (2018–2020)
- Project Manager/Associate Consultant, ESCI
- Technical Advisor/Program Developer, Vision 20/20 & Institution of Fire Engineers
- EMS Research Investigator/Coordinator, Oregon Health & Science University
- EMS Coordinator (Captain), Gresham Fire & Emergency Services
- Senior Consultant, Pacific Northwest Associates, LLC
- Director, Yakima County Department of Emergency Medical Services
- Training Officer/Paramedic, Yakima Medic One
- Firefighter/EMT-Paramedic/Medical Services Officer | Yakima County Fire District #10
- More than 40 years diverse experience in fire and emergency medical services

Educational Background & Certifications

- Central Washington University
- Yakima Valley Community College
- Western Oregon University
- National Fire Academy Incident Command for EMS
- Seattle/King County Resuscitation Academy Fellowship
- Multiple instructor certifications (NFPA I & II, ACLS, PHTLS, WSFST Instructor II, EZ-IO Instructor)
- Numerous advanced-level EMS certifications
- More than 250 hours fire service education, Washington State Fire Service Training

Associated Professional Accomplishments

- Project Manager and consultant on a number of fire and EMS projects around the U.S. and Canada
- Co-authored and published a number of international prehospital studies (available on request)
- Authored two guides on Community Risk Reduction for Vision 20/20 (available on request)
- Project Co-Director, King LT Airway Implementation Project for Multnomah County (OR)
- Author, Phases I & II of the Yakima County EMS Master Plan
- Earned fourteen professional awards during his career (available on request)

Note: This is a brief summary of Mr. Stouffer's CV. A complete version can be made available on request.

Kurt Latipow

Senior Project Manager



Summary of Qualifications

Mr. Latipow has enjoyed 40 years in Public Safety with over 27 years of Public Administration in Fire Chief and Chief Officer positions. He has developed and implemented numerous comprehensive fire and emergency services related plans. Mr. Latipow has facilitated the adoption of those plans via a variety of governing bodies. Mr. Latipow offers extensive experience in developing and implementing emergency, strategic, master plans and succession plans/management processes, as well as developing and implementing Standards of Cover Analysis, Fees for Service Cost-Recovery Programs, and ALS Program Development and Implementation for both transport and engine company-based organizations.

Work Experience

- City of Lompoc, CA - Fire Chief
- Washoe County, NV - County Fire Services Coordinator
- City of Ukiah, CA - Fire Chief
- State of California, Governor's Office of Emergency Services – Deputy Chief, Fire and Rescue Branch
- Stanislaus Consolidated Fire Protection District, CA - Fire Chief/Chief Executive Officer
- Hesperia Fire Protection District, CA - Fire Chief
- City of Arroyo Grande, CA - Fire Chief/Director of Building and Fire
- City of Monterey Park Fire Department, CA - Battalion Chief/Fire Marshal

Education

- National Fire Academy – Accredited Executive Fire Officer
- California Fire Marshal Training and Education System

Publications and Instructor Experience

- IAFC/Volunteer Combination Officers 2017 Symposium in the West -Building Leaders from Within
- IAFC and League of California Cities 2016 - "The Achilles Heel of Local Government"
- California Fire Chiefs Association 2016 - "The Why and How of Succession Planning & Implementation"
- League of California Cities 2015 - "Contracting for Fire Services; the Trials, Tribulations, Landmines and Political Challenges"
- League of California Cities 2014 - "Leading Change in the New Reality"
- California Fire Chiefs Association 2012 - "Re-engineering Fire Service-Based Service Delivery"
- IAFC/ICMA 2012 - Success & Sustainability

Professional Affiliations

- California Fire Chiefs Association
- League of California Cities Fire Department – Past President
- League of California Cities Public Safety Policy – Past Committee Chair
- International Association of Fire Chiefs – Life Member

Note: This is a brief summary of Mr. Latipow's CV. A complete version can be made available on request

Kurt P. Henke

Principal/Managing Partner



Summary of Qualifications

Kurt P. Henke has over thirty-nine years of experience in the fire service. He has held the ranks of Firefighter through Fire Chief. Prior to becoming the Fire Chief of the state's seventh largest fire department, Kurt served as Union President of one of the state's largest labor groups, serving multiple Cities and Districts. Upon his retirement from the Fire Service in October 2014, he formed AP Triton Consulting, LLC, with his business partner, Scott Clough.

Experience

- Chairman of the California Metropolitan Fire Chiefs
- Executive Board Member of the California Fire Chiefs Association from 2011 through 2014
- Named California Fire Chief of the Year-2013

Professional Development & Education

- Certificate – Fire Science

Licensure & Certifications

- Emergency Medical Technician (EMT)

Associated Professional Accomplishments

- Expanded the first responder paramedic and ALS services of his department's ambulance program into a revenue generating enterprise, bridging several financial shortfalls, and making it the third largest fire-based ambulance system in California.
- Identified, developed, and initiated State legislation to facilitate cost recovery for Ground Emergency Medical Transport (GEMT), which has generated hundreds of millions of dollars statewide to the California Fire Service ambulance providers.
- Serves as consultant to California Fire Chiefs Association (CFCA) and the case manager for the anti-trust litigation filed by the CFCA, which endeavors to protect public sector (201) ambulance providers in the state of California.

Note: This is a brief summary of Mr. Henke's CV. A complete version can be made available on request.

Scott Clough

Senior Consultant/Principal Partner



Summary of Qualifications

Mr. Clough is a 33-year member of California's fire service. He started his career as a hand crew member in southern California. He has held the ranks of Firefighter/Paramedic, Captain, Battalion Chief, and Chief of EMS. His last position held was that of Assistant Chief assigned to the Office of the Fire Chief with one of the largest fire departments in California. Upon retirement from the fire service, he formed AP Triton Consulting, LLC with his business partner, Kurt Henke.

Associated Professional Accomplishments

- Created California's Ground Emergency Medical Transport (GEMT) program. He is currently the Public Sector Program Manager.
- Serves as the EMS Chair for the California State Firefighters Association (CSFA), and as an EMS advisor to California Fire Chiefs Association, California Metro Chiefs, and the League of California Cities.
- Noted speaker for the California Association of Fire Chiefs, California Ambulance Association, Nevada Fire Chiefs, Utah Fire Chiefs, California Fire & EMS Disaster (CFED) Conference, League of Cities, and the Fire District Association of California.
- Written articles on EMS and cost recovery for several publications.
- Lead negotiator for the California Fire Chiefs Association in expanding the current GEMT program. Currently Scott is involved in establishing the same programs in Oregon, Washington, Missouri, Kansas, Nebraska, and Alaska. He is considered the premiere expert in these reimbursement programs.
- His "run it like a business" strategy for EMS has earned him recognition by the California State Firefighters Association (CSFA) and California Fire Chiefs Association (CFCA).

Note: This is a brief summary of Mr. Clough's CV. A complete version can be made available on request

James Long

Senior GIS Analyst



Summary of Qualifications

Mr. Long has almost 40 years of experience in public safety. His career has included firefighting, paramedicine, EMS personnel management, Computer Aided Dispatch System project deployment, data analysis, public safety software sales, communications coordination, project management, and Geographic Information Systems (GIS) analysis.

His career has been varied and rich exposing him to many aspects of public safety operations including communications/dispatch, data processing and analysis, logistics including fleet services, facilities, and warehouse operations; as well as managing data through different systems and projects.

Educational Background

- Bachelor's in Liberal Arts, Pre-Medicine Boston University, Boston MA 1983
- Paramedic Training Program, University of Arizona, Tucson, AZ 1985.
- Numerous National Incident Management training courses
- Numerous Environmental Systems Research Institute (ESRI) training courses
- Fitch and Associates Communications Center Manager Course (CCM)
- Programming and Project Management Training (EdX)

Professional Experience

- EMT Paramedic Firefighter
- EMS District Manager
- Computer Aided Dispatch Manager
- Emergency vehicle Repair Service Corporation Partner.
- Sales Executive, Public Safety Software
- President/Partner J and L Long Consulting LLC
- Communications Coordinator
- Firehouse RMS Database Administrator
- GIS Analyst – Senior GIS Analyst
- Fire Department Facilities Project Manager

Relevant Experience

- Past President, Arizona Association of Public Safety Communications Officials (APCO)
- Commission on Fire Accreditation International (CFAI) accreditation Data Analyst: 2011 & 2016
- BLS, CPR, and Advanced Cardiac Life Support instructor (Former)
- Volunteer Board member, Friends of Redington Pass

Associated Professional Accomplishments

- 2018 Presenter at ESRI Chief Information Officer Symposium
- 2017 ESRI Achievement in GIS Award
- 2013 Assistance to Firefighters Grant Award – First Watch System

Note: This is a brief summary of Mr. Long's CV. A complete version can be made available on request.

James E. Syring

Associate Consultant



Summary of Qualifications

James Syring has served with Clackamas County Fire District #1 in Clackamas, Oregon for 30 years, retiring as Deputy Fire Chief in 2015. He is now an elected Board of Director for Clackamas Fire and was recently re-elected for a second term. Mr. Syring progressed through the ranks from Volunteer Firefighter to Chief Officer and has an extensive educational and fire service background including time served as a peer assessor for the Commission on Fire Accreditation International (CFAI).

Chief Syring brings strong administrative and management skills cultivated by strong education and experience, with strength in organizational development, human resources management, and expertise in legal integration opportunities and methods. Chief Syring has helped facilitate, support, and execute numerous consolidations & mergers that resulted in eleven separate fire departments in Clackamas County legally integrating into one and contracting for services.

Educational Background

- Fire Service Administrator's Institute, Eastern Oregon University, LaGrande, OR
- Fire Service Advanced Administrator's Institute, Eastern Oregon University, La Grande, OR
- Portland Community College, Associates of Fire Science, Portland, OR
- Eastern Oregon University, Bachelors of Science, Fire Administration, LaGrande, OR
- National Registered EMT – EMT Basic, 1983 – Current
- National Fire Academy (NFA), Executive Fire Officer Graduate, Emmitsburg, MD

Professional Experience

- 36 continuous years of diverse experience in fire and emergency medical services
- Deputy Fire Chief and EMT Basic, Clackamas County Fire District #1, Oregon
- Accreditation Peer Assessor, Commission on Fire Accreditation International (CFAI), Virginia
- Accreditation Program Manager, Clackamas County Fire District #1, Oregon
- National Fire Protection Association, Certified Fire Officer IV, Fire Protection Executive, and Fire Protection Administrator.

Relevant Experience

- Prior active Member, Oregon Fire Chiefs Association, 2004 – 2015
- Active Member, North Clackamas County Chamber of Commerce, 2006-Present
- Chair, Boring Fire-Clackamas Fire Volunteer Program Consolidation Project, 2012
- Board of Director, Clackamas County Fire District #1, 2015-Present
- Committee Member, Interagency Committee, Clackamas County Fire District #1
- Citizen's Advisory Committee, Happy Valley Comp Plan Citizen's Advisory Committee

Associated Professional Accomplishments

- Extensive experience in facilitating, supporting, and executing numerous fire department legal integration processes in Clackamas County over a 30-year time frame.
- Implemented a regionally recognized Volunteer Firefighter Compensation program.
- Authored NFA Applied Research papers on Succession Planning, Developing Pandemic Plans, Improving Community Risk Assessments, and Volunteer Compensation.

Note: This is a brief summary of Mr. Syring's CV. A complete version can be made available on request.

Randy Parr

Senior Consultant



Summary of Qualifications

Chief Parr has over 40 years of experience in the fire service, including 20 years as a chief officer. He has served in four fire departments in Texas and Missouri. The agencies for which he has worked range from a mid-sized Houston area combination fire district serving a population of 100,000 to leading a small municipal department as they transitioned from a volunteer-based delivery system to a career-based delivery system. He has served the past 16 years as the career Fire Chief for the City of Tomball, a Houston Texas suburb with a population of 35,000.

He is a Certified Public Accountant. During his career he has served as the chief financial officer of large national and regional real estate developers and as the City of Tomball interim finance officer. Chief Parr's diverse skills have provided regional leadership in inter-agency collaboration, strategic planning, master and financial planning, and organizational evaluation. He has advised policymakers on fire service delivery options, created financial models, and has made presentations to large workshops on such topics as regional collaboration and legislative initiatives.

Educational Background

- Bachelor's in Business, Accounting Major, Indiana University, Bloomington, IN
- Master's in Public Administration, Sam Houston State University, Huntsville, TX
- Executive Fire Officer Graduate – National Fire Academy
- Emergency Management Executive Academy Graduate – Emergency Management Institute
- Chief Fire Officer Designee – Center for Public Safety Excellence
- Extensive training in leadership, financial management, and planning

Professional Experience

- Fire Chief/Emergency Management Coordinator – City of Tomball, TX (2004 – present)
- Fire Chief – Cypress Creek Fire Department, Houston, TX (1999 – 2004)
- Controller/Financial Officer – Trammel Crow Residential/Gables Residential Trust (1986 – 1994)
- Associate Consultant – Emergency Consulting International, Inc. (ESCI) (2017 – 2020)

Relevant Experience

- Past President, Board of Directors, International Association of Fire Chiefs, Southwest Division
- Southeast Region Director, Texas Fire Chiefs Association
- Facilitator, Northwest Harris County Fire Chiefs Association
- Treasurer, Institution of Fire Engineers, USA Branch
- Peer Assessor I, Center for Public Safety Excellence Accreditation Site Team
- Board of Directors, Sam Houston State University Alumni Association

Associated Professional Accomplishments

- 2009 recipient of IAFC-VCOS John M. Buckman III Leadership Award
- Developed UASI grant to equip 90 departments in a three-county area, including the City of Houston, with the same electronic accountability system
- Developed UASI grant to link multiple dispatch centers in Harris and Montgomery counties
- Developed UASI grant to hire six full-time firefighter positions for the City of Tomball

Note: This is a brief summary of Mr. Parr's CV. A complete version can be made available on request

Appendix 2: AP Triton Clients & Experience

The following is a **partial** list of Triton's current and former clients. An expanded list can be provided if requested.

- Aberdeen Fire Department (WA)
- City of Alameda Fire Department
- Alameda County Fire Protection District
- Alaska Fire Chiefs Association
- Albany Fire Department
- Anaheim Fire and Rescue
- Berkeley Fire Department
- Bethel Fire Department (AK)
- Big Indie Bliss, Inc. (NY)
- Bodega Bay Fire Department
- Brea Fire Department
- California Fire Chiefs Association
- California Metro Chiefs Association
- Carlsbad Fire Department
- Carroll County Ambulance District (MO)
- Central Jackson County FPD(MO)
- Central Pierce Fire Protection (WA)
- Chariton County Ambulance District (MO)
- Chico Fire Department
- Chula Vista Fire Department
- Central Kitsap Fire & Rescue (WA)
- City of Colton/Loma Linda FD
- Contra Costa County FPD
- City of Costa Mesa Fire Department
- Cosumnes Fire Department
- Cowlitz 2 Fire & Rescue (WA)
- DeKalb County Fire Rescue (GA)
- City of Downey Fire Department
- Dixon Fire Department
- Douglas Okanogan County FD 15 (WA)
- El Dorado Hills Fire Department
- Exeter District Ambulance
- Eugene/Springfield Fire Department (OR)
- Fairfield Fire Department
- Fort Myers Fire Department (FL)
- Fountain Valley Fire Department
- City of Fresno Fire Department
- Eureka Fire Protection District (MO)
- Fairfield Fire Department
- Fort Myers Fire Department (FL)
- Fountain Valley Fire Department
- City of Fresno Fire Department
- Fullerton Fire Department (CA)
- Gig Harbor/Pierce FD #5 (WA)
- Grand River Regional Ambulance (MO)
- Gray's Harbor #4/L. Quinault VFD (WA)
- Gray's Harbor Fire District #5 (WA)
- Hawaii Fire Chiefs Association
- Hermosa Beach Fire Department
- Huntington Beach Fire Department
- Idaho Fire Chiefs Association
- Kennewick Fire & Ambulance (WA)
- Kern County Fire Department (CA)
- Lake Ozark FPD (MO)
- Lincoln Fire & Rescue (NE)
- Milwaukee Fire Department (WI)
- Sonoma County Fire Chiefs Association
- Sonoma County Fire District (CA)
- Sonoma Valley Fire Department
- Stockton Fire Department
- Sunnyside Fire Department (WA)
- Tacoma Fire Department (WA)
- Tualatin Valley Fire & Rescue (OR)
- Ukiah Valley Fire Authority (CA)
- Umatilla Fire Department (OR)
- Utah Fire Chiefs Association (UT)
- Vacaville Fire Department
- Valley Center Fire Protection District
- Ventura County Fire Department (CA)
- Washington Fire Chiefs Association (WA)
- Watsonville Fire Department

The following is a **partial** list of projects in which the members of the Project Team for this study have either served as the Project Manager or participated in. Our team has participated in dozens of studies throughout the U.S. and Canada.

Project Description	Organization
• Community Risk Assessment-Standards of Cover:	Idaho Falls Fire Department (ID)
• Consolidation Feasibility Study & Service Review:	Central and Aptos FPDs (CA)
• Fire Departments Consolidation Study:	Multiple Departments (MO)
• Community Risk Assessment-Standards of Cover:	Santa Maria (CA)
• Fire District Consolidation Study:	South Beach FD (WA)
• Fire Department Staffing Needs Assessment:	Santa Rosa (CA)
• Operational Analysis:	Strathcona Fire (Canada)
• Community Risk Assessment-Standards of Cover:	Salinas (CA)
• EMS System Analysis:	Summit County Fire Agencies (CO)
• Regional Fire Service Study:	Pinole (CA)
• Fire Department Master Plan	Wasatch County Fire (UT)
• Standards of Coverage & Deployment Plan:	Tahoe Douglas FPD (NV)
• Organizational Assessment:	Yreka Fire Department (CA)
• Alternative Governance Model Feasibility North:	North Tahoe & Meeks Bay FPDs (CA)
• EMS Integration Study:	Henry & Jefferson Counties (IA)
• Succession Management Report:	Cosumnes Fire Department (CA)
• Fire Protection & Life-Safety Feasibility Study:	San Benito County (CA)
• Community Risk Assessment-Standards of Cover:	Menlo Park FPD (CA)
• Fire Department Master Plan:	North Whatcom Fire & Rescue (WA)
• Fire Departments Consolidation Study:	Walla Walla Fire Agencies (WA)

Appendix 3: References & Projects

The following are several references and projects out of the hundreds of projects and studies previously completed by Triton. Additional references can be provided.

Contra Costa County Fire Protection District (California)

Project Title & Description: **Ambulance Service Feasibility Study**

AP Triton conducted a fire-based Ambulance Feasibility Study for the Contra Costa County Fire Protection District (population over 1 million). The study foundation was developed by determining what the current and past insured and uninsured payer mixes were. Since implementation of the public-private partnership, which was the chosen recommendation of the study, Contra Costa County FPD now turns a \$10 million profit annually and has amassed a reserve of \$28.6 million, all while improving response time compliance to 96% across all response zones.

Contact Name/Title:	Lewis Broschard, Fire Chief	Year:	2018
Client Phone:	925.941.3300		
Client E-Mail:	Lewis.broschard@cccfd.org		

San Bernardino County Fire Protection District (California)

Project Title & Description: **EMS Valuation / Assessment Study**

AP Triton Consulting conducted an assessment of the financial structure of the San Bernardino County ambulance system to determine which areas could be subject to competitive bid, the value of the system, the resources needed to provide services to those areas, the cost to implement those services, the time needed to secure equipment, the continued operating costs, and the ability to provide additional services to enhance system delivery.

Contact Name/Title:	Mark Hartwig, Fire Chief	Year:	2019
Client Phone:	805.681.5501		
Client E-Mail:	Mark.Hartwig@sbcfire.com (now at Santa Barbara)		

Anaheim Fire Department (California)

Project Title & Description: **Ambulance Feasibility and Optimization Study**

Anaheim. AP Triton conducted an ambulance feasibility and optimization study for the city of Anaheim which resulted in the City of Anaheim changing their ambulance system to a model that would give them more control over the system. Should be noted City of Anaheim provides protection to Disneyland. This also allowed them to increase the amount of unit hours in the system while at the same time increasing the revenue above expenses by approximately 3 million a year that could be reinvested into system enhancement. The recommendations were adopted and program is operating and meeting the expectations that AP Triton's report stated

Contact Name/Title:	Pat Russell, Fire Chief	Year:	2019
Client Phone:	(714) 765-4000		
Client E-Mail:	prussell2@anaheim.net		

OCFA Special Procurement Justification Form

The Purchasing Ordinance of the Orange County Fire Authority requires competitive bids and proposals for service and commodity contracts. A special procurement is defined as a purchase, where due to unusual or special circumstances, it would be in the best interest of the OCFA to accomplish the procurement without compliance with the competitive bidding requirements. Special Procurements are not applicable to construction services. The using department requesting a special procurement shall provide written evidence to support a special procurement determination. This form is to be submitted with the purchase requisition to Purchasing with any special procurement requests.

SECTION I - INSTRUCTIONS

1. Written justification on this form will be completed by the requesting department and submitted with the purchase requisition.
2. The request must be approved by the section manager and assistant chief prior to submitting the request to the purchasing manager.
3. All special procurement forms must be submitted to the Purchasing Manager and then reviewed and approved by the Assistance Chief, Business Services.
4. All special procurements exceeding \$50,000 annually require Executive Committee approval. In this case, the special procurement form must be submitted to the Executive Committee as an attachment to the staff report.
5. The approved special procurement justification form will be included in the contract file.

SECTION II – REQUEST INFORMATION

Department/Section:	Requested By:	Date:
Recommended Vendor:	Vendor Contact:	Vendor's E-mail Address:
Vendor Address:		Vendor's Telephone #:
Type of Contract: <input type="checkbox"/> One-time <input type="checkbox"/> Multi-Year <input type="checkbox"/> Renewal <input type="checkbox"/> Amendment <input type="checkbox"/> Increase	Contract Term (Dates):	Contract Amount:
If the contract type is a Renewal, Amendment or Increase, please provide previous contract information with this request (PO, BO, previous approval date, Chief approval or EC approval, and dollar amount).		Attachments: <input type="checkbox"/> Yes <input type="checkbox"/> No

SECTION III – JUSTIFICATION

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

2. Please state the reasoning for the special procurement and the special circumstances of why it would be in the best interest of OCFA to accomplish the procurement without a competitive bidding process. Provide a summary of findings (research and analysis) including any supporting documentation which validates your recommendation and demonstrates the nature of this request. Attach additional sheet if necessary.

SECTION III – JUSTIFICATION (continued)

design and implementation of Emergency Medical Service delivery systems. They have extensive experience in the valuation of fire protection and EMS delivery systems and in accessing revenue and cost-recovery programs.

Other agencies, including several municipal fire departments in Orange County have utilized AP Triton for similar services.

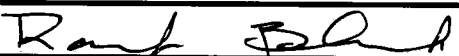
3. Pricing - What efforts were made to get the best pricing (e.g., did you simply request a quote, negotiate a better price with the vendor, did the vendor provide a discount)? Please provide the quote with your special procurement request.

See the attached proposal.

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



The services to be provided by AP Triton comprise a one-time project. OCFA will not be required to utilize their services in the future.

Special Procurement Request Submitted by:

REQUESTORS NAME	SIGNATURE	DATE
DIVISION CHIEF/SECTION MANAGER NAME	SIGNATURE	DATE
ASSISTANT CHIEF NAME	SIGNATURE	DATE
Randy Black		2/1/2021

Purchasing Manager's Comments:

It is understood that while other firms may be able to assemble teams to conduct this type of review, AP Triton is the only firm that specializes, and routinely engages, in this type of analysis.

PURCHASING MANAGER'S APPROVAL	DATE
	February 2, 2021
ASSISTANT CHIEF BUSINESS SERVICES APPROVAL	DATE
	2/2/21

Executive Committee Approval Required ☒ Yes ☐ No Special Procurement over \$50,000

Executive Committee Approved: ☐ Yes ☐ No Date approved _____