



ORANGE COUNTY FIRE AUTHORITY

AGENDA

BOARD OF DIRECTORS REGULAR MEETING
Thursday, February 26, 2015
6:00 P.M.

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

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

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



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

CALL TO ORDER

INVOCATION by OCFA Chaplain Bob George

PLEDGE OF ALLEGIANCE by Director Hatch

ROLL CALL

1. PRESENTATIONS

A. Requests for Commendations and Proclamations

Submitted by: Sherry Wentz, Clerk of the Authority

1. Length of Service Recognition

Recommended Action:

Approve requests as submitted and make presentations to those present.

PUBLIC COMMENTS

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

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

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

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR**REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR****REPORT FROM THE CLAIMS SETTLEMENT COMMITTEE CHAIR****REPORT FROM THE FIRE CHIEF**

- FY 2014/15 Performance Indicators Status
- CAD Status
- Website Upgrades

2. MINUTES**A. Minutes from January 22, 2014, Regular Board of Directors Meeting**

Submitted by: Sherry Wentz, Clerk of the Authority

Recommended Action:

Approve as submitted.

3. CONSENT CALENDAR**A. Capital Projects Fund Policy**

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

Recommended Actions:

1. Adopt the new *Capital Projects Fund Policy* effective July 1, 2014.
2. Adopt the revised *Assigned Fund Balance Policy* effective July 1, 2014.
3. Re-name and/or re-define three of the existing capital projects funds (Communications & Information Systems; Vehicle Replacement; and Facilities Replacement) to more fully reflect the types of activities being accounted for in the funds.
4. Authorize a transfer from the Facilities Maintenance & Improvements Fund to a Capital Improvements Program line item in the General Fund totaling \$2,710,702 (beginning fund balance as of July 1, 2014) and the subsequent closure of the Facilities Maintenance & Improvements Fund. Increase Fiscal Year 2014/15 budgeted transfers in and out of both funds accordingly.
5. Establish an initial "assignment for the capital improvement program" within the General Fund in the amount of \$2,680,975, to be adjusted annually thereafter in accordance with the revised *Assigned Fund Balance Policy*.

B. Purchasing Regulations for Change Orders

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

Recommended Action:

Approve the submitted changes to the Roles/Responsibilities/Authorities Matrix.

C. 2014 Urban Areas Security Initiative Grant Agreement to Transfer Property or Funds

Submitted by: Dave Thomas, Assistant Chief/Operations Department

Recommended Actions:

1. Approve and authorize the Fire Chief to execute the FY 2014 State Homeland Security Grant Program Agreement to accept and administer the UASI Grant.
2. Approve a FY 2014/15 Budget Adjustment in Fund 121 to increase revenue and appropriations by \$99,284 for the FY 2014 UASI Grant award.

END OF CONSENT CALENDAR

4. PUBLIC HEARING(S)

No items.

CLOSED SESSION

CS1. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiators: Jeremy Hammond, Human Resources Director, and Peter Brown, Liebert Cassidy Whitmore

Employee Organizations: Orange County Professional Firefighters Association, Local 3631 and Orange County Fire Authority Managers' Association

Authority: Government Code Section 54957.6

CS2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Name of Case: Orange County Fire Authority and City of Irvine v All Persons Interested in the Matter of the Validity of that Second Amendment to Amended Joint Powers Authority

Case No.: Court of Appeal, Fourth Appellate District, Division Three – Appellate Case No. G050687

Authority: Government Code Section 54956.9(d)(1)

CS3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 19682 Descartes, Lake Forest, CA 92610

Agency Negotiator: Lori Zeller, Assistant Chief/Business Services Department

Negotiating Parties: Foothill Muller, LLC

Under Negotiation: Price and Terms of Payment

Authority: Government Code Section 54956.8

CLOSED SESSION REPORT

5. DISCUSSION CALENDAR

A. Air Operations Program Enhancements: Staffing, Schedule and Safety Management System

Submitted by: Dave Thomas, Assistant Chief/Operations Department

<u>Recommended Actions:</u>	<u>Fiscal Impact</u>
1. Support the Fire Chief’s recommendation to modify the current helicopter work schedule to a 24/7, three platoon schedule.	(\$6,054) annual savings
2. Direct staff to return to the Board of Directors for approval of a contract to construct sleeping accommodations in the existing hangar facility.	\$100,000 one-time cost
3. Approve a sole source contract with Argus-Prism for safety management systems software, training, and maintenance for a three-year term.	\$28,000 three-year cost
4. Authorize the addition of one Firefighter/Paramedic to the Air Operations Helicopter Program during weekends only, for a six-month trial period.	\$65,652 six-month trial
5. Direct staff to include these changes in the FY 2014/15 mid-year budget adjustments that will be submitted to the Board of Directors in March.	
Total Request (facility, software, FF/PM trial)	\$187,598

B. Orange County Employees Retirement System (OCERS) Pension Plan Opt Out Regulation

Submitted by: Dave Kendig, General Counsel

- Recommended Actions:
1. Make OCERS regulation on Waiver of Membership applicable to employees of OCFA, allowing any eligible employee of OCFA to waive membership in the OCERS that he/she is entitled to by virtue of employment with OCFA in an OCERS-covered position and upon meeting the requirements of the OCERS regulation.
 2. Approve and authorize the Fire Chief or his designee to sign the OCERS Employer’s Concurrence Waiver of Membership Form.
 3. Approve and authorize the Human Resources Department to provide the OCERS Waiver of Membership Form to all newly-hired employees, to determine whether an employee electing to waive membership is eligible to participate in state or federal programs providing retirement benefits and to ensure the necessary steps are taken to enroll the employee in any such program.

C. Urban Search and Rescue Warehouse

Submitted by: Dave Thomas, Assistant Chief/Operations Department

- Recommended Actions:
1. Approve and authorize the Fire Chief or his designee to issue a Letter of Intent to enter escrow and place a \$100,000 refundable deposit into escrow for the purchase of an Urban Search & Rescue (US&R) warehouse.

2. Direct the Fire Chief or his designee to complete due-diligence reviews during the escrow period, including consideration of any CEQA requirements, completion of a property appraisal, title report, and identification of any facility improvements that will be needed to ensure proper function of the facility as a US&R warehouse.
3. Direct staff to return to the Board of Directors in March 2015 for approval of a Purchase Agreement and any necessary budget adjustments for completion of the purchase.

BOARD MEMBER COMMENTS

ADJOURNMENT - The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for March 26, 2015, at 6:00 p.m.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Fire Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 19th day of February 2015.

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

UPCOMING MEETINGS:

Human Resources Committee Meeting	Tuesday, March 3, 2015, 12:00 noon
Budget and Finance Committee Meeting	Wednesday, March 11, 2015, 12:00 noon
Claims Settlement Committee Meeting	Thursday, March 19, 2015, 5:30 p.m.
Executive Committee Meeting	Thursday, March 19, 2015, 6:00 p.m.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 1A
Presentations

Length of Service Recognition(s)

Contact(s) for Further Information

Craig Kinoshita, Deputy Fire Chief	craigkinoshita@ocfa.org	714.573.6014
Elizabeth Deacon, Office Svs. Specialist	elizabethdeacon@ocfa.org	949.347.2240

Summary

This is a routine agenda item that provides an opportunity to highlight our tenured employees and allow the Board an opportunity to meet and recognize them for their service to the Orange County Fire Authority.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

Recognize Length of Service recipients in attendance.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

All employees including professional and suppression staff members that achieve five year milestone steps beginning with 30 years of service will be regularly invited for length of service recognition at regular meetings of the Board of Directors following the closest anniversary date.

The following OCFA employees have reached milestone service anniversaries and have been invited to attend tonight's Board meeting for recognition for 30 years of service: **Fire Captains Dean Johnson**, Mark Petz, Kirk Grant, and **Fire Apparatus Engineer Jim Silva**.

Names bolded above identify the OCFA employees who have confirmed their attendance at the time of the preparation of the agenda report, and will be presented with new badges that recognize their service years with the OCFA.

Attachment(s)

None.

MINUTES ORANGE COUNTY FIRE AUTHORITY

**Board of Directors Regular Meeting
Thursday, January 22, 2015
6:00 P.M.**

**Regional Fire Operations and Training Center Board Room
1 Fire Authority Road
Irvine, CA 92602-0125**

CALL TO ORDER

A regular meeting of the Orange County Fire Authority Board of Directors was called to order on January 22, 2015, at 6:06 p.m. by Chair Murray.

INVOCATION

Chaplain Ken Krikac offered the invocation.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present: Sam Allevato, San Juan Capistrano
Rick Barnett, Villa Park
Gerard Goedhart, La Palma
Noel Hatch, Laguna Woods
Robert Johnson, Cypress
Jerry McCloskey, Laguna Niguel
Al Murray, Tustin
Dwight Robinson, Lake Forest
Don Sedgwick, Laguna Hills
David John Shawver, Stanton
Elizabeth Swift, Buena Park
Phillip Tsunoda, Aliso Viejo

Bob Baker, San Clemente
Carol Gamble, Rancho Santa Margarita
Craig Green, Placentia
Gene Hernandez, Yorba Linda
Warren Kusumoto, Los Alamitos
Joe Muller, Dana Point
Roman Reyna, Santa Ana
Ed Sachs, Mission Viejo
David Sloan, Seal Beach
Todd Spitzer, County of Orange
Tri Ta, Westminster

Absent: Jeffery Lalloway, Irvine

Lisa Bartlett, County of Orange

Also present were:

Fire Chief Jeff Bowman
Assistant Chief Lori Zeller
Assistant Chief Mike Schroeder
Assistant Chief Brian Young
General Counsel David Kendig
Human Resources Director Jeremy Hammond

Deputy Chief Craig Kinoshita
Assistant Chief Dave Thomas
Assistant Chief Lori Smith
Communications Director Sandy Cooney
Clerk of the Authority Sherry Wentz

ADMINISTRATION OF OATH OF OFFICE FOR THE NEWLY APPOINTED BOARD MEMBERS

Clerk of the Authority Sherry Wentz administered the Oath of Office to all new Board Members present.

1. PRESENTATIONS (F: 10.091) (X: 11:09)

A. Requests for Commendations and Proclamations

1. Length of Service Recognition

On motion of Director Shawver and second by Vice Chair Hernandez, the Board voted unanimously to approve the request as submitted.

Chair Murray and Fire Chief Bowman presented Fire Captain Joe Brock with his 40-year badge.

PUBLIC COMMENTS (F: 11.11)

Ray Geagon, newly appointed President of the Orange County Professional Firefighters Association, Local 3631, pledged support for Chief Bowman. He also presented a check to Director Allevato in the amount of \$2,500 from Local 3631, for the Availa-Espinoza family who were victims of the recent San Juan Capistrano fire. (F: 17.04B)

Stephen Wontrobski, Mission Viejo resident, commented on his request to review working documents associated with the Procurement Audit by LSL. (F: 15.02A1) (X: 14.05B1a)

REPORT FROM THE BUDGET AND FINANCE COMMITTEE CHAIR (F: 11.12)

Budget and Finance Committee Chair McCloskey reported at its January 14, 2015, meeting, the Committee voted unanimously to appoint Sam Allevato as Vice Chair and himself as Chair of the Committee, received the quarterly status update on the Orange County Employee's Retirement System, and approved the Internal Control Review of Capital Assets and Inventory Control. The Committee reviewed the Monthly Investment Reports and the proposed Updated Broker/Dealer List and voted unanimously to direct staff to place these items on the agenda for the Executive Committee meeting of January 15, 2015, with the recommendation that the Executive Committee receive and file the reports. The Committee reviewed the FY2014/15 Mid-Year Financial Report and the 2015 Grant Priorities and voted unanimously to direct staff to place these items on the agenda for the Board of Directors meeting of January 22, 2015, with the recommendation that the Board of Directors approve the recommended actions.

Minutes

OCFA Board of Directors Regular Meeting

January 22, 2015 Page - 2

REPORT FROM THE HUMAN RESOURCES COMMITTEE CHAIR (F: 11.12)

Human Resources Committee Chair Shawver indicated there was no meeting of the Human Resources Committee in the month of January.

REPORT FROM THE CLAIMS SETTLEMENT COMMITTEE CHAIR (F: 12.02C6)

Claims Settlement Committee Chair Murray reported at the January 14, 2015, meeting, the Claims Settlement Committee considered and unanimously authorized an offer of settlement on the Worker's Compensation claim regarding Dwayne Best v the OCFA, the substance of which upon acceptance by the parties will be disclosed upon request, after the agreements have been fully executed and approved.

REPORT FROM THE FIRE CHIEF (F: 11.14)

Chief Bowman welcomed the new Board Members and introduced the Executive Team to the Board including new Assistant Chief of Operational Planning Brian Young and Assistant Chief of Support Services Mike Schroeder. He provided a PowerPoint presentation reviewing the accomplishments of the 120-Day Plan, and underscored those items that will roll into the 180-Day Plan. He reported on the Availa-Espinoza family fire in San Juan Capistrano, commending dispatchers, operational staff, public information officers, and investigators who worked on the fire.

Director of Communications and Public Affairs Sandy Cooney addressed the Availa-Espinoza fire and announced an outreach scheduled for February 7, 2015, in San Juan Capistrano to educate the public of the need for working smoke alarms in the home.

Director Allevato requested the meeting be adjourned in memory of the Availa-Espinoza family.

Director Reyna arrived at this point (6:42 p.m.)

Director Ta arrived at this point (6:44 p.m.)

2. MINUTES

A. Minutes from November 20, 2014, Regular Board of Directors Meeting (F: 11.06)

Director Spitzer requested a modification to the Minutes regarding his comments having to do with the ambulance RFP process to change his statement to read "Director Spitzer addressed the County's Ambulance Request for Proposal (RFP) process noting *in his opinion* only Dr. Stratton can nullify the RFP."

On motion of Vice Chair Hernandez and second by Director Johnson, the Board voted unanimously to approve as amended the Minutes from the November 20, 2014, Board of Directors meeting.

B. Minutes from December 4, 2014, Regular Board of Directors Meeting (F: 11.06)

On motion of Vice Chair Hernandez and second by Director Johnson, the Board voted unanimously to approve as submitted the Minutes from the December 4, 2014 Board of Directors meeting.

3. CONSENT CALENDAR

Consent Calendar Agenda Item No. 3A was pulled for separate consideration.

A. Adoption of Revised Conflict of Interest Code (F: 20.02A1)

Director Spitzer pulled this item inquiring if training is in place for new designated employees filing Fair Political Practice Commission (FPPC) Form 700s to ensure compliance.

On motion of Director Spitzer and second by Vice Chair Hernandez, the Board of Directors voted unanimously to adopt:

RESOLUTION NO. 2015-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGE COUNTY
FIRE AUTHORITY ADOPTING A CONFLICT OF INTEREST CODE WHICH
SUPERSEDES ALL PRIOR CONFLICT OF INTEREST CODES AND
AMENDMENTS PREVIOUSLY ADOPTED**

and direct the Clerk of the Authority to submit the Resolution to the Orange County Board of Supervisors, as the Code reviewing body, for approval. Director Barnett abstained.

B. Secured Fire Protection Agreements: Vireo Apartments, Elements 1 Apartments, and The Oaks (F: 18.14)

On motion of Director Robinson and second by Director Johnson, the Board of Directors voted unanimously to:

1. Approve and authorize the Fire Chief or his designee to execute Secured Fire Protection Agreements with Sares Regis Group related to the Vireo Apartments at Park Place, Parcel 1 D and 2D of lot line adjustment 579285-LL, in the City of Irvine; Campos Verdes LLC and Capos Verdes 1, LLC related to Elements Site 1

- Apartments Tract 17641, in the City of Irvine; and Development Solutions Oak, LLC related to the Oaks development Tract 17441, in the City of San Juan Capistrano.
2. Direct the Clerk of the Authority to record the Secured Fire Protection Agreements in the Official Records of the County of Orange and furnish each developer a copy of the conformed document within fifteen days of recordation.

C. 2015 OCFA Grants Priorities (F: 11.10G)

On motion of Director Robinson and second by Director Johnson, the Board of Directors voted unanimously to approve OCFA's Grant Priorities for 2015.

D. 2015 OCFA Legislative Policy Guidelines (F: 11.10F)

On motion of Director Robinson and second by Director Johnson, the Board of Directors voted unanimously to adopt the 2015 OCFA Legislative Policy Guidelines and direct OCFA staff to initiate procedures to implement those policies.

E. Amendment to Agreement with the City of Santa Ana for Use of Community Development Block Grant Funds (F: 16.02G1)

On motion of Director Robinson and second by Director Johnson, the Board of Directors voted unanimously to approve and authorize the Board Chair to execute the proposed amendment to the agreement between the City of Santa Ana and OCFA to extend Agreement A-2013-173.

END OF CONSENT CALENDAR

4. PUBLIC HEARING(S)

No items.

CLOSED SESSION (F: 11.15)

CS1. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiator: Jeremy Hammond, Human Resources Director, and
Peter Brown, Liebert Cassidy Whitmore

Employee Organization: Orange County Employees' Association

Authority: Government Code Section 54957.6

CS2. CONFERENCE WITH LABOR NEGOTIATOR

Chief Negotiator: Jeff Bowman, Fire Chief

Employee Organizations: Unrepresented Executive Management (excluding Fire Chief)

Authority: Government Code Section 54957.6

General Counsel David Kendig reported the Board would be convening to Closed Session to consider the matters on the Agenda identified as CS1, Conference with Labor Negotiator, and CS2, Conference with Labor Negotiator.

Chair Murray recessed the meeting to Closed Session at 7:11 p.m.

Chair Murray reconvened the meeting at 8:52 p.m. with all prior Board Members present.

CLOSED SESSION REPORT (F: 11.15)

General Counsel Kendig indicated the Board took no reportable action during Closed Session.

5. DISCUSSION CALENDAR

A. Approval of Memorandum of Understanding General and Supervisory Units Orange County Employees Association (F: 17.04D1)

Human Resources Director Jeremy Hammond presented the staff report.

On motion of Director Spitzer and second by Vice Chair Hernandez, the Board of Directors voted to approve the proposed General and Supervisory Unit MOU between the Orange County Fire Authority and the Orange County Employees Association, for a term of December 19, 2014, to December 15, 2017. Director Barnett opposed and Director Ta abstained.

B. Revisions to the Personnel and Salary Resolution (F: 17.02)

Fire Chief Jeff Bowman presented the staff report.

On motion of Director McCloskey and second by Director Hatch, the Board of Directors voted unanimously to approve proposed revisions to the Personnel and Salary Resolution, Part 3, Article 1, Sections 9 – 14, as discussed in closed session negotiations.

C. Board Meeting Schedule for Calendar Year 2015 (F: 11.05)

Assistant Chief Lori Zeller presented the staff report.

On motion of Chair Murray and second by Director Johnson, the Board of Directors voted unanimously to adopt Resolution No. 2015-02 amending the 2015 Meeting Schedule for the Orange County Fire Authority Board of Directors to temporarily expand the regular meeting schedule to include monthly Board meetings.

D. FY 2014/15 Mid-Year Financial Report (F: 15.04 14/15)

Assistant Chief Lori Zeller presented a PowerPoint presentation on the 2014/15 Mid-Year Financial Report.

Stephen Wontrobski, Mission Viejo resident, complimented the Board for adopting the Civic Openness In Negotiations Ordinance (COIN) review. He also addressed overtime use within the OCFA.

On motion of Director Spitzer and second by Director Gamble, the Board of Directors voted unanimously to:

1. Approve a budget adjustment in Fund 121 to allocate \$3,000,000 of available unencumbered funds identified in the FY 2013/14 financial audit to OCFA's unfunded pension liability and allocate the remaining \$2,985,060 to OCFA's Capital Improvement Program.
2. Approve a budget adjustment in Fund 121 to increase the FY 2014/15 Jurisdictional Equity Adjustment Payments by \$4,978,772 resulting in full accrual of the Payments per the Second Amendment to the Amended Joint Powers Agreement, pending resolution of the appeal.
3. Authorize the following staffing changes:
 - a. Unfreeze two Fire Prevention Specialist positions in the Community Risk Reduction Department to improve OCFA's response to increased development activity.
 - b. Convert the 22 Hand Crew Firefighter positions from limited-term to permanent status.
4. Direct staff to return to the Board of Directors in March 2015 for approval of all additional budget adjustments discussed herein for the FY 2014/15 budget.

E. Board Member Requests for Legal Services (F: 17.10G1)

General Counsel Kendig presented the staff report.

On motion of Director Spitzer and second by Chair Murray, the Board of Directors voted unanimously to:

1. Provide policy direction that individual members of the Board may communicate questions directly to General Counsel when: (a) the inquiry relates to OCFA business, and (b) it appears likely that it will require thirty (30) minutes or less of legal services to respond.
2. Direct that, as to those inquiries from individual Board members that appear likely to require more than thirty (30) minutes of legal services to respond, the Board member may either:
 - a. When time allows, request the Chair of the Board to place an item on the next Executive Committee or Board Agenda to consider whether to authorize General Counsel to perform the legal services; or
 - b. When it would frustrate the purpose of the Board Member's request to postpone the legal services until after the next meeting, submit the item to the Chair of the Board to determine whether to authorize the performance of the services.

CLOSED SESSION CONTINUED (F: 11.15)

General Counsel Kendig, due to time constraints, recommended continuing the two remaining Closed Session items to a future date.

CS3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Authority: Exposure to Litigation pursuant to Government Code Section 54956.9(b)
(1 case)

CS4. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
Name of Case: Orange County Fire Authority and City of Irvine v All Persons
Interested in the Matter of the Validity of that Second Amendment to
Amended Joint Powers Authority
Case No.: Court of Appeal, Fourth Appellate District, Division Three – Appellate
Case No. G050687
Authority: Government Code Section 54956.9(d)(1)

BOARD MEMBER COMMENTS

Director Gamble reported on a personal incident that occurred in December where 9-1-1 services were called and the dispatcher was professional, calm, and reassuring, and noted Engine 71 responded within 4 minutes.

Chair Murray reported Tustin firefighters provided great service containing a condo fire to one structure. He announced an OCFA Board Orientation is scheduled for February 5, 2015. He reminded the Board of the upcoming Best and Bravest Award dinner on January 29, 2015. He congratulated Director Spitzer on his appointment to Chair of the Board of Supervisors and to Director Lalloway for his Chair appointment to the Orange County Transportation Authority.

Vice Chair Hernandez asked if the Board would want to adjourn and briefly meet with General Counsel on the two outstanding matters in Closed Session.

General Counsel Kendig recommended adjourning the meeting as the two Closed Session items could be covered at the Board Orientation, on February 5, 2015, or at a future date.

ADJOURNMENT

Chair Murray adjourned the meeting at 10:12 p.m., in memory of the members of the Availa-Espinoza family who perished from a recent fire in San Juan Capistrano. The next regular meeting of the Orange County Fire Authority Board of Directors is scheduled for February 26, 2015, at 6:00 p.m.

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



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3A
Consent Calendar

Capital Projects Fund Policy

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Jim Ruane, Finance Manager	jimruane@ocfa.org	714.573.6304

Summary

This agenda item is submitted to implement a new *Capital Projects Fund Policy* that provides clarification and guidelines for the appropriate use of OCFA's capital projects funds in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54.

Prior Board/Committee Action(s)

At its February 11, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

1. Adopt the new *Capital Projects Fund Policy* effective July 1, 2014.
2. Adopt the revised *Assigned Fund Balance Policy* effective July 1, 2014.
3. Re-name and/or re-define three of the existing capital projects funds (Communications & Information Systems; Vehicle Replacement; and Facilities Replacement) to more fully reflect the types of activities being accounted for in the funds.
4. Authorize a transfer from the Facilities Maintenance & Improvements Fund to a Capital Improvements Program line item in the General Fund totaling \$2,710,702 (beginning fund balance as of July 1, 2014) and the subsequent closure of the Facilities Maintenance & Improvements Fund. Increase Fiscal Year 2014/15 budgeted transfers in and out of both funds accordingly.
5. Establish an initial "assignment for the capital improvement program" within the General Fund in the amount of \$2,680,975, to be adjusted annually thereafter in accordance with the revised *Assigned Fund Balance Policy*.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Fiscal Year 2014/15 increase to interfund transfers in the amount of \$2,710,702

Background

See the attached extended background regarding the Capital Projects Fund Policy.

Attachment(s)

1. Capital Projects Fund Policy
2. Revised Assigned Fund Balance Policy (red-line version)

Background

During Fiscal Year 2010/11, OCFA implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intent of Statement No. 54 is to enhance the usefulness of fund balance information, clarify governmental fund type definitions, and promote greater comparability and consistency among municipalities' financial statements. As part of the implementation process, OCFA was required to reclassify three of its funds from "special revenue funds" to "capital projects funds," because they no longer met the criteria to be reported as special revenue funds under Statement No. 54. Since Fiscal Year 2010/11, OCFA has reported a total of four capital projects funds. Implementation of a new *Capital Projects Fund Policy* will provide clearer, more consistent guidelines throughout the organization as to the most appropriate use of capital projects funds, thus improving the accuracy of our financial records and bringing our financial reporting more in line with the intent of Statement No. 54.

Revised Names/Definitions of OCFA's Existing Capital Projects Funds

Statement No. 54 defines the capital projects fund type as "*funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.*" Typically, capital projects funds should be used for *major* projects, acquisitions, or construction financed with borrowed or contributed resources. The use of capital projects funds is permitted but not required, unless specified by debt covenant, grant contract, law, or regulation. Three of OCFA's capital projects funds continue to meet the definition of this fund type as defined by the GASB. However, their fund names and individual definitions have become outdated. As such, we are recommending the following revisions:

Current		Recommended	
Fund Name	Definition	Fund Name	Definition
Communications & Information Systems	This fund is used to account for the replacement of specialized fire communications equipment and information systems equipment.	Communications and Information Systems	This fund is used to account for the <i>significant acquisition, improvement, or replacement</i> of specialized communications and information technology <i>systems and/or</i> equipment.
Vehicle Replacement	This fund is used to account for the planned replacement of fire apparatus and vehicles.	Fire Apparatus	This fund is used to account for the <i>significant acquisition, improvement, or replacement</i> of fire apparatus, including vehicles, <i>trailers, and helicopters.</i>
Facilities Replacement	This fund is used to account for the replacement of sub-standard fire stations and the construction of new fire stations.	Fire Stations and Facilities	This fund is used to account for the <i>significant acquisition, improvement, replacement, or construction</i> of fire stations and <i>facilities.</i>

New Capital Projects Fund Policy

Key provisions of the new *Capital Projects Fund Policy* are as follows:

- Activities accounted for in the capital project funds must be:
 - “Capital in nature” as described in the individual fund definitions
 - Identifiable as a unique project
 - Significant
 - One-time or infrequent in occurrence

- Activities that are specifically excluded from the capital project funds include:
 - Routine maintenance
 - Utilities and other operating charges
 - Ongoing support to keep facilities, equipment, or fire apparatus in working order
 - Replacement or repair of items housed within a facility or on a fire apparatus that are not considered a permanent part of the facility or fire apparatus itself

Closure of the Facilities Maintenance & Improvements Fund

The Facilities Maintenance & Improvements Fund was created and approved by the Board of Directors in June 1998 as part of the adoption of the Fiscal Year 1998/99 budget. The fund’s primary revenue sources are transfers in from the General Fund and charges to the cash contract cities. It is currently OCFA’s only capital projects fund that identifies “significant maintenance” as an allowable activity.

Currently, the majority of projects and activities accounted for in the Facilities Maintenance & Improvements Fund are for the ongoing support and maintenance of fire stations located in both cash contract and Structural Fire Fund cities. Without clear guidelines, identifying projects that are truly “significant” has proven difficult. However, by implementing the proposed *Capital Projects Fund Policy*, there would no longer be a need to maintain a separate fund for these types of activities. Upon closure of the Facilities Maintenance & Improvements Fund and transfer of its fund balance back to the General Fund, all ongoing station maintenance, regardless of dollar amount, would be consolidated and reported together within a single fund.

Impact to Cash Contract Cities

The 1st Amendment to the Joint Powers Agreement (JPA) includes a provision that cash contract cities reimburse the OCFA annually for maintenance and repairs at their city-owned fire stations in an amount up to \$15,000 per station. These revenues and related expenditures are currently accounted for in the Facilities Maintenance & Improvements Fund. Upon its closure, these revenues and expenditures would be accounted for in the General Fund. However, by utilizing a series of specific account and org numbers within the financial system, staff would still separately track this information for reporting purposes. As a result, there will be no impact to the cash contract city charges.

Revisions to Assigned Fund Balance Policy

OCFA adopted an *Assigned Fund Balance Policy* in 2011 in conjunction with the implementation of Statement No. 54. Upon adoption of the proposed *Capital Projects Fund Policy*, a portion of OCFA’s fund balance that is assigned to the overall capital improvement program may actually be accounted for in the General Fund (i.e., for projects that are capital in nature but do not meet the individual definitions of the three capital projects funds). As such, some minor wording changes have been made to the *Assigned Fund Balance Policy* to account for this possibility.

CAPITAL PROJECTS FUND POLICY

1. PURPOSE

The purpose of the Capital Projects Fund Policy is to define the types of allowable activities that may be accounted for in OCFA's capital projects funds, as defined by Governmental Accounting Standard Board (GASB) Statement No. 54.

2. ADOPTION AND REVIEW

- 2.1. This policy shall be reviewed periodically for recommended revisions in order to maintain the policy in a manner that reflects the ongoing financial goals of the OCFA. Staff shall revise the policy upon approval by the Board of Directors.

3. POLICY

- 3.1. Governmental Accounting Standard Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, has established the following definition of a capital projects fund:

A capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.

- 3.2. OCFA has identified three funds that meet the definition of a capital projects fund for financial reporting purposes, as defined by the GASB. OCFA's capital projects funds include:
 - 3.2.1 *Communications and Information Systems* – This fund is used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.
 - 3.2.2 *Fire Apparatus* – This fund is used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.
 - 3.2.3 *Fire Stations and Facilities* – This fund is used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

- 3.3. Activities accounted for in OCFA’s capital projects funds must be “capital in nature,” meaning that they pertain to facilities, equipment, or fire apparatus as described in the individual fund definitions.
- 3.3.1 An activity may be “capital in nature” and not necessarily meet all of the criteria to be reported as a capital asset in the government-wide financial statements. These purchases may be instead reported as services and supplies within the capital projects funds.
- 3.3.2 An activity may be “capital in nature” and not necessarily pertain to the three specific capital projects funds established by OCFA (for communications and IT systems, fire apparatus, or fire stations and facilities). As a result, some purchases made through OCFA’s “capital improvement program” may instead be reported in the General Fund.
- 3.4. An activity accounted for in one of OCFA’s capital projects funds must be identifiable as a **unique project** that is both **significant** and **one-time or infrequent in occurrence**.
- 3.4.1 The Finance Division may assign a unique “org number” to track projects within the Communications and IT Systems fund and the Fire Stations and Facilities fund. Projects within the Fire Apparatus fund may be tracked using unit identification numbers as assigned by the Fleet Services Division.
- 3.4.2 In order for improvements to be considered “significant,” they should meet one or more of the following criteria: (1) provide for new or improved functionality of an existing facility, fire apparatus, or equipment item; (2) materially extend the estimated useful life of an existing facility, fire apparatus, or equipment item; (3) be financially significant to the activities of the OCFA as a whole or at the fund level; (4) be acquired or constructed with borrowed or contributed resources. The Finance Division is responsible for making the final determination as to whether or not a project is eligible to be reported in a capital projects fund.
- 3.4.3 Ongoing activities that provide for the routine maintenance of facilities, equipment, or fire apparatus are considered to be operating activities and should not be accounted for in a capital projects fund.
- 3.4.4 Warranty, extended warranty, and vendor support costs associated with the *initial* purchase of equipment may be tracked in the same fund as the equipment purchase itself, as these costs are generally included within the overall purchase price needed to acquire the item and pro-rated over the service period.

- 3.5. Activities that are prohibited from being accounted for in OCFA's capital projects funds include:
 - 3.5.1 Routine maintenance
 - 3.5.2 Utilities and other operating costs
 - 3.5.3 Services of a third party vendor that provide ongoing support to keep facilities, equipment, or fire apparatus in working order
 - 3.5.4 Replacement or repair of household items or equipment housed within a facility (i.e., kitchen supplies, furniture, gym equipment, etc.) that is not considered a permanent part of the facility itself
 - 3.5.5 Replacement or repair of portable or un-installed equipment housed on fire apparatus (i.e., defibrillators, breathing apparatus, etc.) that is not considered a permanent part of the fire apparatus itself

ASSIGNED FUND BALANCE POLICY

1. PURPOSE

The purpose of the Assigned Fund Balance Policy is to establish the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use.

2. ADOPTION AND REVIEW

- 2.1. This policy shall be reviewed periodically for recommended revisions in order to maintain the policy in a manner that reflects the ongoing financial goals of the OCFA. Staff shall revise the policy upon approval by the Board of Directors.
- 2.2. Each year at the time the audited financial statements are approved, the Budget and Finance Committee shall review the calculations used to determine the amounts assigned to workers' compensation and the capital improvement program, and shall confirm the calculations' consistency with the Assigned Fund Balance Policy.

3. POLICY

- 3.1. In accordance with Governmental Accounting Standard Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance amounts intended to be used by a government for a specific purpose should be presented in the financial statements as "assigned" fund balance. Assigned balance includes resources that are set aside for an intended use and represents current intentions (subject to change) as to how the resources will be expended.
- 3.2. The Board of Directors has the authority to assign fund balance. The Board of Directors shall delegate its authority to assign amounts for *workers' compensation* and the *capital improvement program* to the Assistant Chief of Business Services, or her designee.
- 3.3. The Assistant Chief of Business Services, or her designee, shall assign and un-assign fund balance for the specific purposes of *workers' compensation* and the *capital improvement program*, in accordance with the guidelines described in this policy. The authority to assign and un-assign fund balance for any other specific purposes shall be retained by the Board of Directors.

- 3.4. The assignment for *workers' compensation* will reflect the cumulative difference between actual workers' compensation expenditures incurred (cash-flow basis) and budgeted costs, which are based on an annual actuarial valuation prepared by an external actuary and a confidence level set by the Board of Directors.
- 3.4.1 The amount of the assignment will be calculated annually in conjunction with the fiscal year-end closing process.
- 3.5. The assignment for the *capital improvement program* will reflect cumulative amounts transferred from the General Fund to the OCFA's capital [improvement projects](#) funds in accordance with the *Financial Stability Budget Policy*, net of actual cumulative project expenditures and other revenue sources accounted for in those funds. [The assignment for the capital improvement program may also include net resources accumulated within the General Fund itself in order to fund purchases and projects that are capital in nature but do not necessarily meet the criteria to be reported in one of OCFA's three capital projects funds.](#)
- 3.5.1 The amount of the assignment will be calculated annually in conjunction with the fiscal year-end closing process.
- 3.5.2 The amount of the assignment will not exceed projects currently identified in the OCFA's five-year capital improvement program, including projects that have been identified as deferred pending improved financial conditions.
- 3.6. Assigned funds must be expended in conjunction with the spending authority provided by the annual budget and any subsequent amendments.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3B
Consent Calendar

Purchasing Regulations for Change Orders

Contact(s) for Further Information

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

Debbie Casper, Purchasing & Materials Manager debbiecasper@ocfa.org 714.573.6641

Summary

This item is submitted for approval of a modification to the Roles, Responsibilities, Authorities Matrix relating to change orders.

Prior Board/Committee Action(s)

At its February 11, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

Approve the submitted changes to the Roles/Responsibilities/Authorities Matrix.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

Following completion of an internal control review of Purchasing, OCFA's external auditors (Lance, Soll & Lunghard, LLP), observed that OCFA's purchasing procedures included areas that were subject to interpretation and could benefit from more specificity. An example related to the Roles/Responsibilities/Authorities Matrix states that Authority Management may approve change orders up to 15%, not to exceed a total value of \$50,000.

Prior to the internal control review, management interpreted this provision as applicable exclusively to contracts that exceeded original dollar thresholds delegated to Authority Management. Change orders that exceeded 15% of the contract value, but which remained within the dollar limits delegated to management, were processed with management approval only.

Example: A \$1,000 change order is requested to a blanket order contract that was originally issued for \$4,000. The original \$4,000 contract had not required Executive Committee approval when established since the limit was within the amounts delegated to Authority Management. The proposed change order represents a 25% increase; however, the new increased value of \$5,000 continues

to remain within the amounts delegated to Authority Management. In this example, even though the change order exceeded 15% of the contract value, management would have authorized the change since the new increased value remains within delegated limits.

This past practice was not specifically addressed in the Roles/Responsibilities/Authorities Matrix. As a result of LSL's internal control review, which illustrated this inconsistency, management has since altered its practice to comply with the precise wording in the Matrix. Beginning in November 2013, all change orders exceeding 15% of the original contract value have been brought forward for approval by the Executive Committee, regardless of the dollar value.

Since November 2013, 35 contracts or blanket orders have been submitted to the Executive Committee for approval of increases resulting in revised contract values that remained under \$100,000. Of the 35 contracts, the revised values *after processing the changes* were as follows:

- 5 contracts were less than \$5,000 after the increase
- 4 contracts ranged from \$5,001 - \$10,000 after the increase
- 4 contracts ranged from \$10,001 - \$25,000 after the increase
- 14 contracts ranged from \$25,001 - \$50,000 after the increase
- 3 contracts ranged from \$50,001 - \$75,000 after the increase
- 5 contracts ranged from \$75,001 - \$95,000 after the increase

The addition of these change order transactions to the Executive Committee agendas has added several staff reports to the agenda packets, potentially detracting from more important Authority business. Furthermore, the lengthier agenda packets require more time for Directors' review, more time for staff to prepare the agenda materials, and more time to accomplish relatively minor changes that may be needed to carry out OCFA activities.

Staff is requesting modification of the Roles/Responsibilities/Authorities Matrix to enable management to approve and process change orders for contracts that do not exceed value thresholds which would otherwise trigger Executive Committee approval. The proposed changes are shown in tracking to the enclosed Matrix.

[Attachment\(s\)](#)

Proposed Roles/Responsibilities/Authorities Matrix (Redlined)

ORANGE COUNTY FIRE AUTHORITY Roles/Responsibilities/Authorities

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

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

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

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

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

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Debt obligation	Develop and recommend financing plans.		Budget & Finance Committee – Review of recommended financing plans.	Approve all debt obligations. (Note: long-term bonded indebtedness requires approval by 2/3 rd vote of the members.)
Purchase of commodities and fixed assets	Approve purchase of commodities and fixed assets for total contract amount less than \$100,000.		Approve purchase of commodities and fixed assets for total contract amount over \$100,000.	
Emergency Purchases/Contracts	Approve emergency purchases up to \$100,000.		Purchases in excess of \$100,000 require prior approval of Chair or Vice Chair and must be reported at the next Executive Committee meeting.	
Purchasing – Professional Service Contracts (including consulting contracts)	Approve all service contracts less than \$100,000 for life of contract duration.		Approve all service contracts over \$100,000 for life of contract duration. Contract extensions beyond the initial contract term will require Executive Committee approval prior to contract extension.	
Sole Source Contracts	Approve any sole source contracts up to \$25,000.		Approve any sole source contracts over \$25,000.	

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

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Public Works	Approve all public works contracts in amounts up to the statutory limits authorized by Section 22032 of the Public Contract Code.			Approve all public works contracts in amounts at or above the statutory limits authorized by Section 22032 of the Public Contract Code.
Change Orders/ Modifications (excludes Public Works contracts in excess of the formal limit set forth in Section 22032 of the Public Contract Code)	<u>For contracts within the limits delegated herein to Authority Management, approve change orders in any amount so long as the revised amount remains within the delegated limits.</u> <u>For contracts originally approved by the Executive Committee or Board of Directors, Approve change orders within the original scope of work, up to 15% but not to exceed a total value of \$50,000.</u>		Approve change order/modifications <u>to any contracts with original or revised values that exceed those amounts delegated herein to Authority Management, not within the original scope of work, or over 15%, or exceeding a total value of \$50,000.</u>	
Change Orders/ Modifications for Public Works contracts in excess of the formal limit set forth in Section 22032 of the Public Contract Code	Approve change order/modifications up to 10%, but not to exceed a total value of \$50,000.		Approve change order/modifications over 10%, or exceeding a total value of \$50,000.	

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

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Investment Practices	Provide financial data to Budget & Finance Committee, Executive Committee and Board of Directors. Develop draft policy.		Budget & Finance Committee - Review Treasury/Investment actions to insure compliance with policy. Executive Committee – review monthly reports.	Adopt investment and Treasury policies.
Setting of salaries/benefits and other terms and conditions of employment	Identify issues, recommend negotiations approach; negotiate with labor organizations as approved by the Board of Directors.		Review management recommendations; make recommendations to the Board of Directors.	Provide direction to chief negotiator on negotiations; adopt resulting MOUs and changes in the PSR.
Grievances	Administer procedures pursuant to MOU and PSR provisions.			
Disciplinary Actions	Implement disciplinary actions within legal and MOU requirements.			
Hire/Terminate	Hire/terminate Authority staff.		Make recommendations to the Board of Directors on General Counsel legal services contract and Fire Chief employment contract, and compensation of General Counsel and the Fire Chief.	Hire/terminate Fire Chief and General Counsel. Approve service contract for General Counsel. Approve employment contract for Fire Chief.
Appointments				Appointment of clerk, auditor, and treasurer (JPA Agreement Articles II.9 and II.13)

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

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Classification and Salary Ranges	Administer classification system within existing classes and budget.		Adopt and approve new or modified classes and corresponding salary ranges.	
Settlement of Employee Complaints and Grievances	Approve settlements up to \$10,000 within existing PSR parameters.		Approve settlements up to \$50,000.	Approve settlements over \$50,000.
File Legal action				Authorize filing of legal action.
Respond to legal action				Authorize response to legal action.
Settlement of Claims and Litigation	Approve settlements of claims and litigation up to \$50,000. in accordance with Board of Directors Rules of Procedure.	Approve settlements of claims and litigation over \$50,000 not to exceed \$250,000. in accordance with Board of Directors Rules of Procedure.		Approve settlements of claims and litigation over \$250,000.
Level of risk/coverage/exposure	Recommend risk management policies; administer risk management program within established Board of Directors and legal requirements.			Establish policies.

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

	Authority Management	Claims Settlement Committee	Executive Committee	Board of Directors
Write-Off for Uncollectible Accounts	Approve write-off of uncollectible accounts up to \$15,000.		Approve write-off of uncollectible accounts over \$15,000. Budget and Finance Committee review annual report of uncollectibles and make a recommendation to Executive Committee for final decision.	
Accept Real Property Interests	Accept interest in real property if the Board of Directors or Executive Committee has previously approved.			Approve Secured Fire Protection Agreements and Purchase Agreements for the acquisition of real property.
Utility licenses and easements	Execute licenses and easements for utilities necessary to implement construction projects approved by the Board or Executive Committee		Approve licenses and easements for utilities where no prior approval of construction projects has occurred	
Accept Grants	Accept all grants except: (1) when the grantor requires approval by the governing body, or; (2) when an adjustment is immediately needed to appropriations to expend the grant, or; (3) when a contract award is needed, requiring approval by the Executive Committee or Board.		Accept all grants in which the grantor requires approval by the governing body.	

the northeast portion. Utilizing the Strategic Initiatives developed by the Urban Area Working Group, priorities were established for equipment, training and planning.

In January 2015, OCFA was notified it was awarded \$99,284 as part of the FY 2014 UASI Grant Program. The Grant funds are designated for use to reimburse costs related to training, including participant tuition, Instructor Participation and Course Delivery and Hosting. Unfortunately, due to a reduced UASI allocation, reimbursement for overtime and backfill to attend the classes is no longer included. Despite this, the training funded by this Grant is very valuable to OCFA and its member agencies; therefore, approval of the Grant award is recommended.

Attachment(s)

1. FY14 State Homeland Security Grant Program Agreement (Available upon request, on-line, or in the Office of the Clerk)
2. Award Letter dated January 14, 2015, from Anaheim Police Department

AGREEMENT

SUB-RECIPIENT: ORANGE COUNTY FIRE AUTHORITY

City Contract Number _____

TABLE OF CONTENTS

<u>Section Description</u>	<u>Page</u>
I <u>INTRODUCTION</u>	
§101. Parties to the Agreement	3
§102. Representatives of the Parties and Service of Notices	3
§103. Independent Party	4
§104. Conditions Precedent to Execution of this Agreement	4
II <u>TERM AND SERVICES TO BE PROVIDED</u>	
§201. Time of Performance	5
§202. Use of Grant Funds	5
III <u>PAYMENT</u>	
§301. Payment of Grant Funds and Method of Payment	8
IV <u>STANDARD PROVISIONS</u>	
§401. Construction of Provisions and Titles Herein	9
§402. Applicable Law, Interpretation and Enforcement	9
§403. Integrated Agreement	9
§404. Excusable Delays	9
§405. Breach	10
§406. Prohibition Against Assignment or Delegation	10
§407. Permits	10
§408. Non Discrimination and Affirmative Action	10
§409. Bonds	11

TABLE OF CONTENTS

<u>Section Description</u>	<u>Page</u>
§410. Indemnification	11
§411. Conflict of Interest	11
§412. Restriction on Disclosures	13
§413. Statutes and Regulations Applicable to All Grant Contracts	13
§414. Federal, State, and Local Taxes	20
§415. Inventions, Patents and Copyrights	20
§416. MBE/WBE	22

V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults	23
§502. Amendments	23

V

ENTIRE AGREEMENT

§601. Complete Agreement	24
§602. Number of Pages and Attachments	24
Execution (Signature) Page	25

EXHIBITS

Exhibit A	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
Exhibit B	Certification Regarding Lobbying
Exhibit C	Grant Assurances

AGREEMENT FOR TRANSFER OR PURCHASE OF EQUIPMENT/SERVICES OR FOR
REIMBURSEMENT OF TRAINING COSTS
FOR FY2014 URBAN AREAS SECURITY INITIATIVE (UASI)

BETWEEN
THE CITY OF ANAHEIM
AND ORANGE COUNTY FIRE AUTHORITY

THIS AGREEMENT is made and entered into this 14th day of January 2015, by and between the CITY OF ANAHEIM, a municipal corporation (the "CITY"), and ORANGE COUNTY FIRE AUTHORITY (the "SUB-RECIPIENT" or "Contractor").

WITNESSETH

WHEREAS, CITY, acting through the Anaheim Police Department in its capacity as a Core City for the Anaheim/Santa Ana Urban Area under the FY14 Urban Areas Security Initiative, has applied for, received and accepted a grant entitled "FY 2014 Urban Areas Security Initiative" from the federal Department Of Homeland Security(DHS), Federal Emergency Management Agency (FEMA), through the State of California Governor's Office of Emergency Services (CalOES), to enhance countywide emergency preparedness (the "grant"), as set forth in the grant guidelines and assurances that are incorporated to this Agreement by reference and located at:

"U.S. Department of Homeland Security "Fiscal Year 2014 Homeland Security Grant Program (HSGP) Funding Opportunity Announcement (FOA)"
http://www.fema.gov/media-library-data/1395161200285-5b07ed0456056217175fbdee28d2b06e/FY_2014_HSGP_FOA_Final.pdf

California Office of Emergency Services "FY2014 Homeland Security Grant Program: California Supplement to Federal Program Guidance and Application Kit"
<http://www.calema.ca.gov/EMS-HS-HazMat/Pages/Homeland-Security-Grant-Program-Documents.aspx>

Copies of the grant guidelines shall be retained in the Anaheim/Santa Ana Grant Office.

WHEREAS, this financial assistance is administered by the CITY OF ANAHEIM ("CITY") and is overseen by the California Governor's Office of Emergency Services ("CalOES"); and

WHEREAS, this financial assistance is being provided to address the unique equipment, training, planning, and exercise needs of large urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and

recover from threats or acts of terrorism; and

WHEREAS, the Anaheim/Santa Ana Urban Area ("ASAUA") consists of 34 cities in Orange County, including the City of Anaheim and the City of Santa Ana, the County of Orange, Santa Ana Unified School District Police, California State University, Fullerton, University of California, Irvine, Municipal Water District of Orange County, and the Orange County Fire Authority; and

WHEREAS, the Office of Grants Management ("OGM") awarded a FY14 UASI Grant of \$4,565,000 ("Grant Funds") to the CITY OF ANAHEIM, as a Core City, for use in the ASAUA; and

WHEREAS, the CITY has designated the Chief of Police, or his designee and the Anaheim Police Department, Emergency Management Director ("UASI Grant Office") to provide for terrorism prevention and emergency preparedness; and

WHEREAS, the UASI Grant Office now wishes to distribute FY14 UASI Grant Funds throughout the ASAUA, as further detailed in this Agreement ("Agreement") to ORANGE COUNTY FIRE AUTHORITY ("SUB-RECIPIENT") and others;

WHEREAS, the CITY and SUB-RECIPIENT are desirous of executing this Agreement as authorized by the City Council and the Chief of Police which authorizes the CITY to prepare and execute the Agreement.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

I
INTRODUCTION

§101. Parties to the Agreement

The parties to this Agreement are:

- A. The CITY, a municipal corporation, having its principal office at 425 South Harbor Boulevard, Anaheim, CA 92805; and
- B. ORANGE COUNTY FIRE AUTHORITY, a municipal corporation, One Fire Authority Road, Irvine, CA 92602

§102. Representatives of the Parties and Service of Notices

A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the City of Anaheim shall be, unless otherwise stated in the Agreement:

Dave Vangsness, Lieutenant
Anaheim Police Department
425 South Harbor Boulevard
Anaheim, CA. 92805
Phone: (714) 765-7901
Fax: (714) 765-1616
dvangsness@anaheim.net

- 2. The representative of ORANGE COUNTY FIRE AUTHORITY shall be:

Randy Black, Battalion Chief
ORANGE COUNTY FIRE AUTHORITY
One Fire Authority Road, Irvine, CA 92602
Phone: (714) 573-6056
E-mail: randyblack@ocfa.org

- B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

SUB-RECIPIENT is acting hereunder as an independent party, and not as an agent or employee of the CITY OF ANAHEIM. No employee of SUB-RECIPIENT is, or shall be an employee of the CITY OF ANAHEIM by virtue of this Agreement, and SUB-RECIPIENT shall so inform each employee organization and each employee who is hired or retained under this Agreement. SUB-RECIPIENT shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY OF ANAHEIM.

§104. Conditions Precedent to Execution of This Agreement

SUB-RECIPIENT shall provide copies of the following documents to the CITY OF ANAHEIM, unless otherwise exempted.

- A. Grant Assurances in accordance with section 415C of this Agreement attached hereto as Exhibit C and made part hereof.
- B. Certifications Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549 in accordance with Section 415A12 of this Agreement and attached hereto as Exhibit A and made a part hereof.
- C. Certifications and Disclosures Regarding Lobbying in accordance with Section 415C of this Agreement and attached hereto as Exhibit B and made a part hereof. SUB-RECIPIENT shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT.

II
TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall commence on January 14, 2015 and end on March 31, 2016 or upon the final disbursement of all of the Grant Amount (as defined in Section 301) and any additional period of time as is required to complete any necessary close out activities. Said term is subject to the provisions herein.

§202. Use of Grant Funds

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds and in accordance with grant guidelines set forth above; or, b) reimburse SUB-RECIPIENT for purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, services, exercises and training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Anaheim Grant Coordinator and it will be provided.
- B. SUB-RECIPIENT shall provide any reports requested by the CITY regarding the performance of the Agreement. Reports shall be in the form requested by the CITY, and shall be provided in a timely manner.
- C. The Authorized Equipment List (AEL) is a list of the allowable equipment which may be purchased pursuant to this Agreement and is located at <https://www.ilis.dhs.gov/knowledgebase>, and incorporated to this Agreement by reference. A copy of the AEL shall be retained in the Anaheim/Santa Ana Grant Office. Unless otherwise stated in program guidance any equipment acquired pursuant to this Agreement shall meet all mandatory regulations and/or DHS-adopted standards to be eligible for purchase using grant funds. SUB-RECIPIENT shall provide the CITY a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet the minimum federal requirements. Federal procurement requirements for the FY 14 UASI Grant can be found at 2 Code of Federal Regulations (CFR) Part 225 "Cost Principles for State, Local, and Indian Tribal Governments" and 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments."

Any equipment acquired or obtained with Grant Funds:

1. Shall be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
2. Shall be consistent with needs as identified in the National Priorities and Core Capabilities, the State Homeland Security Strategy and the Anaheim/Santa Ana Urban Area and Orange County Operational Area Homeland Security Grants Strategy, the Threat Hazard Identification and Risk Assessment (THIRA), the State Preparedness Report; and deployed in conformance with those plans;
3. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan;
4. Shall be subject to the requirements of 44 CFR Part 13.32 and 13.33. For the purposes of this subsection, "Equipment" is defined as nonexpendable property that is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs \$5,000 or more per unit, or is expected to have a useful life of one (1) year or more. Items costing less than \$5,000, but falling into the following categories are also considered Equipment:
(1) electronics communications equipment for stationary or vehicular use, including cellular telephones acquired by lease or purchase, and
(2) electronic office equipment, including facsimile machines, copiers, electric typewriters, personal computers (monitors and CPU's), terminals and printers;
5. Shall be used by SUB-RECIPIENT in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer useful for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.
6. Shall be made available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.

7. Shall be recorded on a ledger. This record must be updated bi-annually and forwarded to the City. The record shall include: (a) description of the item of Equipment, (b) manufacturer's model and serial number, (c) Federal Stock number, national stock number, or other identification number; (d) the source of acquisition of the Equipment, including the award number, (e) date of acquisition; (f) the per unit acquisition cost of the Equipment, (g) records showing maintenance procedures to keep the Equipment in good running order, and (h) location and condition of Equipment. Records must be retained pursuant to 44 C.F.R. Part 13.42, and Office of G&T.
 8. All equipment obtained under this Agreement shall have an ASUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible.
 9. A physical inventory of the Equipment shall be taken and the results reconciled with the Equipment records at least once every two years. Inventory shall also be taken prior to any UASI, State or Federal monitor visits.
 10. SUB-RECIPIENT shall exercise due care to preserve and safeguard equipment acquired with grant funds from damage or destruction and shall provide regular maintenance and such repairs for said equipment as necessary, in order to keep said equipment continually in good working order. Such maintenance and servicing shall be the sole responsibility of SUB-RECIPIENT, who shall assume full responsibility for maintenance and repair of the equipment throughout the life of said equipment.
- D. Any training paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2014 Homeland Security Grant Program, as set forth above. All training expenses must be pre-authorized by CalOES at <http://www.firstrespondertraining.gov/admin>. A catalogue of Grantor approved and sponsored training courses is available at http://www.firstrespondertraining.gov/odp_webforms.
- E. Any exercise paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2014 Homeland Security Grant Program, as set forth above. Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <http://hseep.dhs.gov>.
- F. Any planning paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2014 Homeland Security Grant Program, as set forth above.
- G. Any organizational activities paid pursuant to this Agreement shall conform to the guidelines as listed in FY 2014 Homeland Security Grant Program, as set forth above.

III
PAYMENT

§301. Payment of Grant Funds and Method of Payment

- A. CITY may, a) transfer to SUB-RECIPIENT, equipment or services purchased with grant funds; or, b) reimburse SUB-RECIPIENT for the purchase of authorized equipment, exercises, services or training upon receiving prior written approval from CITY or its designee and in accordance with grant guidelines and in full compliance with all of the SUB-RECIPIENT'S purchasing and bidding procedures. SUB-RECIPIENT shall specify the equipment, exercises, services or training to be purchased using the Application for Project Funding. A paper copy of this document will be provided to SUB-RECIPIENT by CITY. In addition, a compact disc with a copy of the document will be provided to SUB-RECIPIENT by CITY. If additional copies of the document are needed, SUB-RECIPIENT may contact the Anaheim Grant Coordinator and it will be provided. Funds may be used for planning, exercises, organizational and training activities, and the purchase of equipment as described in Section 202 above.
- B. SUB-RECIPIENT shall provide quarterly invoices to the CITY requesting payment and all supporting documentation. Each reimbursement request shall be accompanied by the Reimbursement Request for Grant Expenditures (attached hereto as Exhibit D) detailing the expenditures made by SUB-RECIPIENT as authorized by Section 202 above. Each reimbursement request shall be submitted to the Anaheim UASI Grant Office. For equipment for which SUB-RECIPIENT is requesting reimbursement, all appropriate back-up documentation must be attached to the reimbursement form, including invoices, proof of payment, packing slips, and Equipment Reimbursement Worksheet. For training reimbursements, SUB-RECIPIENT must include a copy of any certificates issued or a copy of the class roster verifying training attendees, proof that a CalOES tracking number has been assigned to the course, timesheets and payroll registers for all training attendees, receipts for travel expenses related to the training, and Training Reimbursement Worksheet. For regional project reimbursements, SUB-RECIPIENT must include approval from the lead agency for all submitted invoices.
- C. Payment of final invoice shall be withheld by the CITY until the SUB-RECIPIENT has turned in all supporting documentation and completed the requirements of this Agreement.
- D. It is understood that the CITY makes no commitment to fund this Agreement beyond the terms set forth herein.
- E. Funding for all periods of this Agreement is subject to the continuing availability to the CITY of federal funds for this program. The Agreement may be terminated immediately upon written notice to SUB-RECIPIENT of a loss or reduction of federal grant funds.

IV
STANDARD PROVISIONS

§401. Construction of Provisions and Titles Herein

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. The word "Sub-recipient" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Sub-recipient as identified herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

§402. Applicable Law, Interpretation and Enforcement

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY. This Agreement shall be enforced and interpreted under the laws of the State of California and the CITY.

If any part, term or provision of this Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions of provisions shall not be affected thereby.

§403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only by a written instrument executed by both parties hereto.

§404. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.

Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine

restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§405. Breach

Except for excusable delays, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

§406. Prohibition Against Assignment or Delegation

SUB-RECIPIENT may not, unless it has first obtained the written permission of the CITY:

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

§407. Permits

SUB-RECIPIENT and its officers, agents and employees shall obtain and maintain all permits and licenses necessary for SUB-RECIPIENT performance hereunder and shall pay any fees required therefore. SUB-RECIPIENT further certifies to immediately notify the CITY of any suspension, termination, lapses, non renewals or restrictions of licenses, certificates, or other documents.

§408. Nondiscrimination and Affirmative Action

SUB-RECIPIENT shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this Agreement, SUB-RECIPIENT shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status or medical condition. SUB-RECIPIENT shall comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).

If required, SUB-RECIPIENT shall submit an Equal Employment Opportunity Plan ("EEOP") to the DOJ Office of Civil Rights ("OCR") in accordance with guidelines listed at <http://www.ojp.usdoj.gov/ocr/eeop.htm>,

Any subcontract entered into by the SUB-RECIPIENT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this § 408.

§409. Bonds

SUB-RECIPIENT must purchase a performance bond for any equipment item over \$250,000 or any vehicle (including aircraft or watercraft) financed with homeland security funds.

§410. Indemnification

To the fullest extent of the law, SUB-RECIPIENT agrees to indemnify, defend, and hold harmless the City of Anaheim, its officers, agents, employees, representatives and designated volunteers from and against any and all claims, demands, defense costs, or liability of any kind or nature arising out of or resulting from, or any way connected with SUB-RECIPIENT'S acts, errors or omissions in the performance of SUB-RECIPIENT'S services or use of grant funds under the terms of this Agreement.

§411. Conflict of Interest

A. SUB-RECIPIENT covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

1. A member of such person's immediate family, or domestic partner or organization has a financial interest in the subcontract;
2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" includes but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father

in law, mother in law, brother in law, sister in law, son in law, daughter in law.

2. The term "financial or other interest" includes but is not limited to:
 - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- C. The SUB-RECIPIENT further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- D. The SUB-RECIPIENT shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Contractor.
- E. Prior to obtaining the CITY'S approval of any subcontract, the SUB-RECIPIENT shall disclose to the CITY any relationship, financial or otherwise, direct or indirect, of the SUB-RECIPIENT or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.
- F. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the SUB-RECIPIENT, State of California, and Federal regulations regarding conflict of interest.
- G. The SUB-RECIPIENT warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- H. The SUB-RECIPIENT covenants that no member, officer or employee of SUB-RECIPIENT shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- I. The SUB-RECIPIENT shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project

and shall substitute the term "subcontractor" for the term "SUB-RECIPIENT" and "sub subcontractor" for "Subcontractor".

§412. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250, et seq.).

§413. Statutes and Regulations Applicable To All Grant Contracts

A. SUB-RECIPIENT shall comply with all applicable requirements of state, federal, county and SUB-RECIPIENT laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. SUB-RECIPIENT shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. **Office of Management and Budget (OMB) Circulars**

SUB-RECIPIENT shall comply with OMB Circulars, as applicable: OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225); OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments, found in 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).

2. **Single Audit Act**

If Federal funds are used in the performance of this Agreement, SUB-RECIPIENT shall adhere to the rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; and any administrative regulation or field memos implementing the Act. When reporting under on the FY14 UASI Grant Program under the Single Audit Act, SUB-RECIPIENT shall use Catalog of Federal Domestic Assistance (CFDA) Program Number 97.067 "Homeland Security Grant Program"; Grant Identification Number 2014-00093; and Identify the City of Anaheim as the Pass-Through.

3. **Americans with Disabilities Act**

SUB-RECIPIENT hereby certifies that it will comply with the Americans with Disabilities Act, 42 USC §§ 12101, et seq., and its

implementing regulations. SUB-RECIPIENT will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. SUB-RECIPIENT will not discriminate against persons with disabilities or against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the SUB-RECIPIENT, relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Neither shall any funds provided under this Agreement be used for any purpose designed to support or defeat any pending legislation or administrative regulation. None of the funds provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

If this Agreement provides for more than \$100,000 in grant funds or more than \$150,000 in loan funds, SUB-RECIPIENT shall submit to the CITY a Certification Regarding Lobbying and a Disclosure Form, if required, in accordance with 31 USC §1352. A copy of the Certificate is attached hereto as Exhibit B. No funds will be released to SUB-RECIPIENT until the Certification is filed.

SUB-RECIPIENT shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by SUB-RECIPIENT. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

At any time during normal business hours and as often as the CITY, the U.S. Comptroller General, and/or the Auditor General of the State of California may deem necessary, SUB-RECIPIENT shall make available for examination all of its records with respect to all matters covered by this Agreement. The CITY, the U.S. Comptroller General and/or the Auditor General of the State of California shall have the authority to audit, examine and make excerpts or transcripts from records, including SUB-RECIPIENT'S invoices, materials, payrolls, records of personnel, conditions of employment

and other data relating to all matters covered by this Agreement.

SUB-RECIPIENT agrees to provide any reports requested by the CITY regarding performance of the Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records shall be retained for a period of three (3) years after the CITY receives notification of grant closeout from CalOES, and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The CITY may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Orange unless authorization to remove them is granted in writing by the CITY.

7. Subcontracts and Procurement

SUB-RECIPIENT shall comply with the federal and SUB-RECIPIENT standards in the award of any subcontracts. For purposes of this Agreement, subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

SUB-RECIPIENT shall ensure that the terms of this Agreement with the CITY are incorporated into all Subcontractor Agreements. The SUB-RECIPIENT shall submit all Subcontractor Agreements to the CITY for review prior to the release of any funds to the subcontractor. The SUB-RECIPIENT shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective Subcontractor Agreement.

8. Labor

SUB-RECIPIENT shall comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed requirements for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 C.F.R. 900, Subpart F).

SUB-RECIPIENT shall comply, as applicable, with the provisions of

the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements, and the Hatch Act (5 USC §§1501-1508 and 7324-7328).

SUB-RECIPIENT shall comply with the Federal Fair Labor Standards Act (29 USC §201) regarding wages and hours of employment. None of the funds shall be used to promote or deter Union/labor organizing activities. CA Gov't Code Sec. 16645, et seq.

9. Civil Rights

SUB-RECIPIENT shall comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) The Age Discrimination act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (j) the requirements of any other nondiscrimination statute(s) which may apply to the application; and (k) P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

10. Environmental

SUB-RECIPIENT shall comply, or has already complied, with the requirements of Titles II and III of the Uniform relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real

property acquired for project purposes regardless of Federal participation in purchases.

SUB-RECIPIENT shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451, et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401, et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234).

SUB-RECIPIENT shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271, et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

SUB-RECIPIENT shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801, et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

SUB-RECIPIENT shall comply with the Federal Water Pollution Control Act (33 U.S.C. § 1251, et seq.) which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

SUB-RECIPIENT shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of this project are not listed in the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal Grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

By signing this Agreement, SUB-RECIPIENT ensures that it is in compliance with the California Environmental Quality Act (CEQA), Public Resources Code §21000, et seq. and is not impacting the environment negatively.

SUB-RECIPIENT shall comply with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

SUB-RECIPIENT shall comply, if applicable, with the provision of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC 3501, et. seq.), which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. Preservation

SUB-RECIPIENT shall comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1, et seq.).

12. Debarment and Suspension

SUB-RECIPIENT shall comply with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and SUB-RECIPIENT shall submit a Certification Regarding Debarment required by Executive Order 12549 and any amendment thereto. Said Certification shall be submitted to the CITY concurrent with the execution of this Agreement and shall certify that neither SUB-RECIPIENT nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department head or agency. SUB-RECIPIENT shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

13. Drug-Free Workplace

SUB-RECIPIENT shall comply with the federal Drug-Free Workplace Act of 1988, 41 USC §701, 44 CFR Part 67; the California Drug-Free Workplace Act of 1990, CA Gov't Code §§ 8350-8357.

14. Miscellaneous

SUB-RECIPIENT shall comply with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 USC §§2131, et seq.).

B. Statutes and Regulations Applicable To This Particular Grant

SUB-RECIPIENT shall comply with all applicable requirements of state and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular grant program. SUB-RECIPIENT shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Title 44 Code of Federal Regulations (CFR) Part 13; EO 12372; Department of Justice (DOJ) Office of Judicial Programs (OJP) Office of the Comptroller, U.S. Department of Homeland Security, Preparedness Directorate Financial Management Guide; U.S. Department of Homeland Security, Office of Grants and Training, FY 2009 Homeland Security Grant Program – Program Guidance and Application Kit; ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights.

Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445-2448.

Provisions of 44 CFR applicable to grants and cooperative agreements, including Part 18, Administrative Review Procedures; Part 20, Criminal Justice Information Systems; Part 22, Confidentiality of Identifiable Research and Statistical Information; Part 23, Criminal Intelligence Systems Operating Policies; Part 30, Intergovernmental Review of Department of Justice Programs and Activities; Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services; Part 38, Equal Treatment of Faith-based Organizations; Part 42, Nondiscrimination/Equal employment Opportunities Policies and Procedures; Part 61, Procedures for Implementing the National Environmental Policy Act; Part 63, Floodplain Management and Wetland Protection Procedures; Part 64, Floodplain Management and Wetland Protection Procedures; Federal laws or regulations applicable to federal Assistance Programs; Part 69, New Restrictions on Lobbying; Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and Part 83, Government- Wide Requirements for a Drug Free Workplace (grants).

Nondiscrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, 42 USC 3789(d), or the Juvenile Justice and Delinquency Prevention Act, or the Victims of Crime Act, as appropriate; the provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1, and all other applicable federal laws, orders, circulars, or regulations.

2. Travel Expenses

SUB-RECIPIENT as provided herein may be compensated for SUB-RECIPIENT'S reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem,

unless otherwise expressed. Travel including in-State and out-of-State travel shall not be reimbursed without prior written authorization from the UASI Grant Office.

SUB-RECIPIENT'S travel and per diem reimbursement costs shall be reimbursed based on the SUB-RECIPIENT'S travel policies and procedures. If SUB-RECIPIENT does not have established travel policies and procedures, SUB-RECIPIENT'S reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, PML 97-024, Section 599.619, dated July 1, 1997 and Section 599.631, and as amended from time to time.

3. Noncompliance

SUB-RECIPIENT understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds, and repayment by SUB-RECIPIENT to CITY of any unlawful expenditures.

C. Compliance With Grant Assurances

To obtain the Grant Funds, the Grantor required an authorized representative of the CITY to sign certain promises regarding the way the Grant Funds would be spent ("Grant Assurances"), attached hereto as Exhibit C. By signing these Grant Assurances, the CITY became liable to the Grantor for any funds that are used in violation of the grant requirements. SUB-RECIPIENT shall be liable to the Grantor for any funds the Grantor determines SUB-RECIPIENT used in violation of these Grant Assurances. SUB-RECIPIENT shall indemnify and hold harmless the CITY for any sums the Grantor determines SUB-RECIPIENT used in violation of the Grant Assurances.

§414. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of SUB-RECIPIENT as an independent party and not as a CITY employee.

§415. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project produces any invention or discovery (Invention) patentable or otherwise under title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, the SUB-RECIPIENT shall report the fact and disclose the Invention promptly and fully to the CITY. The CITY shall report the fact and disclose the Invention to the Grantor. Unless there is a prior agreement between the CITY and the Grantor, the Grantor shall determine whether to

seek protection on the Invention. The Grantor shall determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of title 35 U.S.C. Sections 200, et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). SUB-RECIPIENT

hereby agrees to be bound by the Policy, and will contractually require its personnel to be bound by the Policy.

B. Rights to Use Inventions

CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor or of this Agreement, when copyrightable material ("Material") is developed under this Agreement, the author or the CITY, at the CITY'S discretion, may copyright the Material. If the CITY declines to copyright the Material, the CITY shall have an unencumbered right, and a non-exclusive, irrevocable, royalty- free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement.
2. The Grantor shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Material developed under this Agreement or any Copyright purchased under this Agreement.
3. SUB-RECIPIENT shall comply with 24 CFR 85.34.

D. Rights to Data

The Grantor and the CITY shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the

notice of 17 U.S.C. Section 401 or 402, the Grantor acquires the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights. (48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

SUB-RECIPIENT shall require all subcontractors to comply with the obligations of this section by incorporating the terms of this section into all subcontracts.

§416. Minority, Women, And Other Business Enterprise Outreach Program

It is the policy of the CITY to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all SUB-RECIPIENT contracts, including procurement, construction and personal services. This policy applies to all Contractors and Sub-Contractors.

V

DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should SUB-RECIPIENT fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the CITY reserves the right to terminate the Agreement, reserving all rights under state and federal law.

§502. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by SUB-RECIPIENT and any increase or decrease in the amount of compensation which are agreed to by the CITY and SUB-RECIPIENT shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

SUB-RECIPIENT agrees to comply with all future CITY Directives, or any rules, amendments or requirements promulgated by the CITY affecting this Agreement.

VI
ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-five (25) pages and three (3) Exhibits which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City and ORANGE COUNTY FIRE AUTHORITY have caused this Agreement to be executed by their duly authorized representatives on the date first set forth above.

ATTEST:

CITY OF ANAHEIM, a municipal Corporation
of the State of California

By: _____
Linda N. Andal
Clerk of the Council

By: _____
Raul Quezada
Chief of Police

SUB-RECIPIENT
ORANGE COUNTY FIRE AUTHORITY

APPROVED AS TO FORM:

By: _____

By: _____
Kristin Pelletier
Sr. Assistant City Attorney

Printed Name _____

Title _____

APPROVED AS TO FORM

By: _____

Printed Name _____

Title _____

EXHIBIT A

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER
RESPONSIBILITY MATTERS**

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under the applicable CFR covering New Restrictions on Government-wide Debarment and Suspension (Nonprocurement). The certification shall be treated as a material representation of fact upon which reliance will be placed when the Agency determines to award the covered transaction or cooperative agreement.

As required by Executive Order 12549, Debarment and Suspension, and implemented under the applicable CFR, for prospective participants in covered transactions, as defined in the applicable CFR

A. The applicant certifies that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal State or local) with commission of any of these offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

Authorized Agent Signature

Address: _____

Printed or Typed Name

Title

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.
5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntary excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

EXHIBIT B

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AGREEMENT NUMBER

CONTRACTOR/BORROWER/AGENCY

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

EXHIBIT C

*California Governor's Office of Emergency Services
FY2014 Grant Assurances
(All HSGP Applicants)*

Name of Applicant: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

E-Mail Address: _____

As the duly authorized representative of the applicant, I certify that the applicant named above:

1. Will assure that the Funding Opportunity Announcement for this program is hereby incorporated into your award agreement by reference. By accepting this award, the recipient agrees that all allocations and use of funds under this grant will be in accordance with the requirements contained in the FY2014 Homeland Security Grant Program Funding Opportunity Announcement, the California Supplement to the FY2014 Homeland Security Grant Program Funding Opportunity Announcement, and all applicable laws and regulations.
2. All allocations and use of funds under this grant will be in accordance with the Allocations, and use of grant funding must support the goals and objectives included in the State and/or Urban Area Homeland Security Strategies as well as the investments identified in the Investment Justifications which were submitted as part of the California FY2014 Homeland Security Grant Program application. Further, use of FY2014 funds is limited to those investments included in the California FY2014 Investment Justifications submitted to DHS/FEMA and Cal OES and evaluated through the peer review process.
3. Understands that in the event FEMA determines that changes are necessary to the award document after an award has been made, including changes to period of performance or terms and conditions, recipients will be notified of the changes in writing. Once notification has been made, any subsequent request for funds will indicate recipient acceptance of the changes to the award. Please call the FEMA/GMD Call Center at (866) 927-5646 or via e-mail to ASK-GMD@dhs.gov if you have any questions.
4. Has the legal authority to apply for Federal assistance and has the institutional, managerial and financial capability to ensure proper planning, management and completion of the grant provided by the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) and sub-granted through the State of California, California Governor's Office of Emergency Services (Cal OES).
5. Will assure that grant funds are used for allowable, fair, and reasonable costs only and will not be transferred between grant programs (for example: State Homeland Security Program and Urban Area Security Initiative) or fiscal years.
6. Will comply with any cost sharing commitments included in the FY2014 Investment Justifications submitted to DHS/FEMA/Cal OES, where applicable.
7. Will establish a proper accounting system in accordance with generally accepted accounting standards and awarding agency directives.
8. Will give the DHS/FEMA, the General Accounting Office, the Comptroller General of the United States, the Cal OES, the Office of Inspector General, through any authorized representatives, access to, and the right to examine, all paper or electronic records, books, and documents related to the award, and will permit access to its

facilities, personnel and other individuals and information as may be necessary, as required by DHS/FEMA or Cal OES, through any authorized representative, with regard to examination of grant related records, accounts, documents, information and staff.

9. Agrees, and will require any subrecipient, contractor, successor, transferee, and assignee to acknowledge and agree to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.
 - a. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS or Cal OES.
 - b. Recipients must give DHS and Cal OES access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS and Cal OES program guidance, requirements, and applicable laws.
 - c. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance, and recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.
 - d. If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS/Cal OES awarding office and the DHS Office of Civil Rights and Civil Liberties.
 - e. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

10. Will comply with any other special reporting, assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this agreement, or detailed in the program guidance.
11. Agrees that funds utilized to establish or enhance State and Local fusion centers must support the development of a statewide fusion process that corresponds with the Global Justice/Homeland Security Advisory Council (HSAC) Fusion Center Guidelines, follow the Federal and State approved privacy policies, and achieve (at a minimum) the baseline level of capability as defined by the Fusion Capability Planning Tool.
12. Understands that a hold is in place on Fusion Center activities and the applicant is prohibited from obligating, expending, or drawing down HSGP – UASI funds in support of their State and/or Major Urban Area Fusion Center. Cal OES will notify the subgrantee in writing when DHS/FEMA has lifted the hold.
13. Will initiate and complete the work within the applicable timeframe (subgrantee performance period), in accordance with grant award terms and requirements, after receipt of approval from Cal OES and will maintain procedures to minimize the amount of time elapsing between the award of funds and the disbursement of funds.
14. Will provide timely, complete and accurate progress reports, and maintain appropriate support documentation to support the reports, and other such information as may be required by the awarding agency, including the Initial Strategy Implementation Plan (ISIP), within 45 (forty-five) days of the award, and update these reports and related documentation via the Grant Reporting Tool (GRT) twice each year.
15. Will provide timely notifications to Cal OES of any developments that have a significant impact on award-supported activities, including changes to key program staff.
16. Agrees to be non-delinquent in the repayment of any Federal debt. Examples of relevant debt, include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A- 129 and form SF-

424B, item number 17 for additional information and guidance.

17. Will comply with the requirements of 31 U.S.C. § 3729, which set forth that no subgrantee, recipient or subrecipient of federal payments, shall submit a false claim for payment, reimbursement, or advance. Administrative remedies may be found in 38 U.S.C. §§ 3801-3812, addressing false claims and statements made.
18. Will comply with all applicable provisions of DHS/FEMA's regulations, including Title 44 of the Code of Federal Regulations, Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the payment of interest earned on advances.
19. Will comply with the Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the "A-102 Common Rule"), which are also located found within DHS regulations at Title 44, Code of Federal Regulations (CFR) Part 13, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; will comply with OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, relocated to 2 CFR Part 215.
20. Will comply with the financial and administrative requirements set forth in the current edition of the DHS Financial Management Guide; OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220; OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225; OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as applicable.
21. Will comply with all provisions of the Federal Acquisition Regulations, including but not limited to Title 48 CFR Part 31.2, part 31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations.
22. Will comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
23. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of, personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business, or other connections.
24. Understands and agrees that Federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government, without the express prior written approval from DHS/FEMA and Cal OES.
25. Will comply with all applicable lobbying prohibitions and laws, including those found 31 U.S.C. § 1352., and agrees that none of the funds provided under this award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal of any Federal contract, grant, loan, or cooperative agreement.
26. Agrees that, to the extent contractors or subcontractors are utilized, will use small, minority-owned, women-owned, or disadvantaged businesses, to the extent practicable.
27. Will comply with Title 2 of the Code of Federal Regulations Part 225, Appendix A, paragraph (C)(3)(c), which provides that any cost allocable to a particular Federal award or cost objective under the principles provided for in this authority may not be charged to other Federal awards to overcome fund deficiencies.
28. Will ensure that Federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-Federal sources. Subgrantees and subrecipients may be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

29. Will comply, if applicable, with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4801 et seq.), which prohibits the use of lead based paint in construction or rehabilitation of structures.
30. Will comply with all federal and state laws and regulations relating to civil rights protections and nondiscrimination. These include, but are not limited to:
- a. Title VI of the Civil Rights Act of 1964, Public Law 88-352, (42 U.S.C. § 2000d et seq.), codified at 6 CFR Part 21 and 44 CFR Part 7, which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
 - b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. § 1681 et seq.), which prohibits discrimination on the basis of gender in educational programs and activities. These regulations are codified at 6 CFR Part 17 and 44 CFR Part 19.
 - c. The Americans with Disabilities Act, as amended, which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. § 12101 et seq.).
 - d. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.
 - e. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse.
 - f. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
 - g. Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. § 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records.
 - h. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq., as implemented by 24 CFR Part 100), as amended, relating to nondiscrimination in the sale, rental and financing of housing.
 - i. Title 44 of the Code of Federal Regulations (CFR) Parts 7, 16, and 19 relating to nondiscrimination.
 - j. The requirements of any other nondiscrimination provisions in the specific statute(s) under which the application for Federal assistance is being made and any other applicable statutes.
 - k. The requirements of Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, as amended, which provides that no otherwise qualified individual with a disability in the United States will, solely by reason of the disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. These requirements pertain to the provision of benefits or services as well as to employment.
 - l. Will, in the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds or race, color, religion, national origin, gender, or disability against a recipient of funds, the recipient will forward a copy of the finding to the Office of Civil Rights, Office of Justice Programs.
 - m. Will provide an Equal Employment Opportunity Plan, if applicable, to the Department of Justice Office of Civil Rights within 60 days of grant award.
 - n. Will comply, and assure the compliance of all its subgrantees and contractors, with the nondiscrimination requirements and all other provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1.
31. Will comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq. [P.L. 91-646]), which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or Federally assisted programs. These requirements apply to all interested in real property acquired for project purposes regardless of Federal participation in purchases. Will also comply with Title 44 CFR, Part 25, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-assisted programs.
32. Will comply with all provisions of DHS/FEMA's regulation 44 CFR Part 10, Environmental Considerations.
33. Will comply with all applicable Federal, State, and Local environmental and historical preservation (EHP) requirements. Failure to meet Federal, State, and Local EHP requirements and obtain applicable permits may jeopardize Federal funding. Agrees not to undertake any project having the potential to impact EHP resources

without the prior written approval of DHS/FEMA and Cal OES, including, but not limited to, ground disturbance, construction, modification to any structure, physical security enhancements, communications towers, any structure over 50 years old, and purchase and/or use of any sonar equipment. The subgrantee must comply with all conditions and restrictions placed on the project as a result of the EHP review. Any construction-related activities initiated without the necessary EHP review and approval will result in a noncompliance finding, and may not be eligible for reimbursement with DHS/FEMA and Cal OES funding. Any change to the scope of work will require re-evaluation of compliance with the EHP. If ground-disturbing activities occur during the project implementation, the subgrantee must ensure monitoring of the disturbance. If any potential archeological resources are discovered, the subgrantee will immediately cease activity in that area and notify DHS/FEMA/ and Cal OES and the appropriate State Historic Preservation Office.

34. Any construction activities that have been initiated prior to the full environmental and historic preservation review could result in a non-compliance finding. Subgrantees must complete the DHS/FEMA EHP Screening Form (OMB Number 1660-0115/FEMA Form 024-0-01) and submit it, with all supporting documentation, to their Cal OES program representative, for processing by the DHS/FEMA GPD EHP.
35. Grantees should submit the FEMA EHP Screening Form for each project as soon as possible upon receiving their grant award. The Screening Form for these types of projects is available at:
www.fema.gov/doc/government/grant/bulletins/info329_final_screening_memo.doc.
36. Will ensure that the facilities under its ownership, lease or supervision, which shall be utilized in the accomplishment of this project, are not on the Environmental Protection Agency's (EPAs) List of Violating Facilities, and will notify Cal OES and the DHS/FEMA of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating if a facility to be used in the project is under consideration for listing by the EPA.
37. Will provide any information requested by DHS/FEMA/ and Cal OES to ensure compliance with applicable laws including, but not limited to, the following:
 - a. Institution of environmental quality control measures under the Archaeological and Historic Preservation Act, Endangered Species Act, and Executive Orders on Floodplains (11988), and Environmental Justice (EO12898) and Environmental Quality (EO11514).
 - b. Notification of violating facilities pursuant to EO 11738.
 - c. Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. § 1451 et seq.).
 - d. Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523).
 - e. California Environmental Quality Act (CEQA), California Public Resources Code Sections 21080- 21098, and California Code of Regulations, Title 14, Chapter 3 §§ 15000-15007.
 - f. Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
 - g. Applicable provisions of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC § 3501 et seq.), which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.
38. Will comply with Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code, Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445, 2446, 2447, and 2448.
39. Agrees that subgrantees and subrecipients collecting Personally Identifiable Information (PII) must have a publically-available privacy policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate. Subgrantees and subrecipients may also find DHS Privacy Impact Assessments, guidance and templates online at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_fuidance_june2010.pdf and at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf, respectively.

40. Agrees that all DHS/FEMA-funded project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, and approvals are obtained.
41. Will comply with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225(a), whereby all subgrantees, recipients, and subrecipients must ensure that all conference, meeting, convention, or training space, funded in whole or in part with Federal funds, complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. § 2225.
42. Will comply with the Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981 amendment to Comptroller General Decision B138942.
43. Agrees that all publications created or published with funding under this grant shall prominently contain the following statement: *"This document was prepared under a grant from FEMA's Grant Programs Directorate, U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA's Grant Programs Directorate or the U.S. Department of Homeland Security."* The recipient also agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: *"Purchased with funds provided by the U.S. Department of Homeland Security."*
44. Acknowledges that DHS/FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: a) the copyright in any work developed under an award or sub-award; and b) any rights of copyright to which a recipient or sub-recipient purchases ownership with Federal support. The recipient must affix the applicable copyright notices of 17 U.S.C. section 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under Federal financial assistance awards, unless the work includes any information that is otherwise controlled by the Government (e.g. classified information or other information subject to national security or export control laws or regulations). The recipient agrees to consult with DHS/FEMA and Cal OES regarding the allocation of any patent rights that arise from, or are purchased with, this funding.
45. Recipients receiving Federal financial assistance to be used to perform eligible work approved in the submitted application for Federal assistance and after the receipt of Federal financial assistance, through the State of California, agrees to the following:
 - a. Promptly return to the State of California all funds received which exceed the approved, actual expenditures as determined by the Federal or State government.
 - b. In the event the approved amount of the grant is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California.
 - c. Property and equipment purchased under the HSGP reverts to Cal OES if the grant funds are deobligated or disallowed and not promptly repaid.
 - d. HSGP funds used for the improvement of real property must be promptly repaid following deobligation or disallowment of costs, and Cal OES reserves the right to place a lien on the property for the amount owed.
 - e. Separately account for interest earned on grant funds, and will return all interest earned, in excess of \$100 per Federal Fiscal Year.
46. Understands that recipients who receive awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.
47. Will comply, if applicable, with the Laboratory Animal Welfare Act of 1966 (P. L. 89-544, as amended, 7 U.S.C. § 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

48. Will comply with the minimum wage and maximum hour provisions of the Federal Fair Labor Standards Act (29 U.S.C. § 201), as they apply to employees of institutions of higher education, hospitals, and other non-profit organizations.
49. Agrees that "Classified national security information," as defined in Executive Order (EO) 12958, as amended or updated via later executive order(s), means information that has been determined pursuant to EO 12958 to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form. No funding under this award shall be used to support a contract, subaward, or other agreement for goods or services that will include access to classified national security information if the award recipient has not been approved for and granted access to such information by appropriate authorities.
50. Agrees that where an award recipient has been approved for and has access to classified national security information, no funding under this award shall be used to support a contract, subaward, or other agreement for goods or services that will include access to classified national security information by the contractor, subrecipient, or other entity without prior written approval from the DHS Office of Security, Industrial Security Program Branch (ISPB), or, an appropriate official within the Federal department or agency with whom the classified effort will be performed. Such contracts, subawards, or other agreements shall be processed and administered in accordance with the DHS "Standard Operating Procedures, Classified Contracting by States and Local Entities," dated July 7, 2008; EOs 12829, 12958, 12968, and other applicable executive orders; the National Industrial Security Program Operating Manual (NISPOM); and other applicable implementing directives or instructions. Security requirement documents may be located at: <http://www.dhs.gov/xopnbiz/grants/index.shtm>
51. Immediately upon determination by the award recipient that funding under this award may be used to support a contract, subaward, or other agreement involving access to classified national security information pursuant to paragraph 47, and prior to execution of any actions to facilitate the acquisition of such a contract, subaward, or other agreement, the award recipient shall contact ISPB, and the applicable Federal department or agency, for approval and processing instructions.

DHS Office of Security ISPB contact information:
 Telephone: 202-447-5346
 Email: DD254AdministrativeSecurity@dhs.gov
 Mail: Department of Homeland Security
 Office of the Chief Security Officer
 ATTN: ASD/Industrial Security Program Branch
 Washington, D.C. 20528

52. Will comply with the requirements regarding Data Universal Numbering System (DUNS) numbers. If recipients are authorized to make subawards under this award, they must first notify potential subrecipients that no entity may receive or make a subaward to any entity unless the entity has provided a DUNS number.

For purposes of this award term, the following definitions will apply:

- a. "Data Universal Numbering System (DUNS)" number means the nine digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet, currently at <http://fedgov.dnb.com/webform>.
- b. "Entity", as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C, as a Governmental organization, which is a State, local government, or Indian Tribe; or a foreign public entity; or a domestic or foreign nonprofit organization; or a domestic or foreign for-profit organization; or a Federal agency, but only as a sub recipient under an award or subaward to a non-Federal entity.
- c. "Subaward" means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient. It does not include your procurement of property and services needed to carry out the project or program (for further explanation, see section 210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations") and may be provided through any legal agreement, including an agreement that you consider a contract.

- d. "Subrecipient" means an entity that receives a subaward from you under this award, and is accountable to you for the use of the Federal funds provided by the subaward.
53. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. § 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for Federally-assisted construction sub-agreements.
54. Agrees that equipment acquired or obtained with grant funds:
- Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement, in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant, and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
 - Is consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that Strategy.
55. Will comply with Homeland Security Presidential Directive (HSPD)-5, Management of Domestic Incidents. The adoption of the National Incident Management System (NIMS) is a requirement to receive Federal preparedness assistance, through grants, contracts, and other activities. The NIMS provides a consistent nationwide template to enable all levels of government, tribal nations, nongovernmental organizations, and private sector partners to work together to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity.
56. Will comply with OMB Standard Form 424B Assurances – Non construction Programs, whereby the awarding agency may require subgrantees and subrecipients to certify to additional assurances.
57. Will not make any award or permit any award (subgrant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension." As required by Executive Order 12549, Debarment and Suspension, and implemented at 44 CFR Part 17, for prospective participants in primary covered transactions, the applicant will provide protection against waste, fraud and abuse, by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government. Applicant certifies that it and its principals:
- Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency.
 - Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default; and
 - Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.
58. Will comply with requirements to acknowledge Federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.
59. Will obtain, via Cal OES, the prior approval from DHS on any use of the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

60. Will comply with the requirements of the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 et seq.), which requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. These regulations are codified at 2 CFR 3001.
61. Will comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104), located at 2 CFR Part 175. This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. In accordance with Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the recipient or a subrecipient engages in severe forms of trafficking in persons during the period of time that the award is in effect, procures a commercial sex act during the period of time that the award is in effect, or uses forced labor in the performance of the award or subawards under the award. Full text of the award term is provided at 2 CFR § 175.15.
62. Will comply with Title VI of the Civil Rights Act of 1964 prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to their programs and services. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. Recipient shall comply with DHS Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 76 Fed. Reg. 21755-21768 (April 18, 2011), resulting from Executive Order 13166. For assistance and information regarding LEP obligations, refer to DHS Recipient Guidance at <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited-and-additional-resources> on <http://www.lep.gov>.
63. Will comply with the requirements of 42 U.S.C. § 7401 et seq. and Executive Order 11738, which provides for the protection and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters is considered research for other purposes.
64. Will comply with the requirements of the Federal regulations at 45 CFR Part 46 and the requirements in DHS Management Directive 026-04, Protection of Human Subjects, prior to implementing any work with human subjects. The regulations specify additional protections for research involving human fetuses, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). The use of autopsy materials is governed by applicable State and local law and is not directly regulated by 45 CFR Part 46.
65. Will comply with the requirements of the National Environmental Policy Act (NEPA), as amended, 42 U.S.C. § 4331 et seq., which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for its grant-supported activities, DHS requires the environmental aspects of construction grants (and certain non-construction projects as specified by the Component and awarding office) to be reviewed and evaluated before final action on the application.
66. Will comply with the requirements of section 1306(c) of the National Flood Insurance Act, as amended, which provides for benefit payments under the Standard Flood Insurance Policy for demolition or relocation of a structure insured under the Act that is located along the shore of a lake or other body of water and that is certified by an appropriate State or local land use authority to be subject to imminent collapse or subsidence as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels. These regulations are codified at 44 CFR Part 63.
67. Will comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. § 4001 et seq.), which provides that no Federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within one year of the identification. The

flood insurance purchase requirement applies to both public and private applicants for DHS support. Lists of flood-prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.

68. Will comply with the requirements of Executive Order 11990, which provides that federally-funded construction and improvements minimize the destruction, loss, or degradation of wetlands. The Executive Order provides that, in furtherance of section 101(b)(3) of NEPA (42 U.S.C. § 4331(b)(3)), Federal agencies, to the extent permitted by law, must avoid undertaking or assisting with new construction located in wetlands unless the head of the agency finds that there is no practicable alternative to such construction, and that the proposed action includes all practicable measures to minimize harm to wetlands that may result from such use. In making this finding, the head of the agency may take into account economic, environmental, and other pertinent factors. The public disclosure requirement described above also pertains to early public review of any plans or proposals for new construction in wetlands. This is codified at 44 CFR Part 9.
69. Will comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175-175c. Among other things, it prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose. The act also establishes restrictions on access to specified materials. "Restricted persons," as defined by the act, may not possess, ship, transport, or receive any biological agent or toxin that is listed as a select agent.
70. Understands the reporting of subawards and executive compensation rules, including first tier subawards to Cal OES.
 - a. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009,
 - b. Where and when to report: you must report on each obligating action described in the following paragraphs to Cal OES. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2013, the obligation must be reported by no later than December 31, 2013.)
 - c. What to report: You must report the information about each obligating action that the submission instructions posted in Information Bulletin 350, to Cal OES. To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>. Subgrantees must report subrecipient executive total compensation to Cal OES by the end of the month following the month during which you make the subaward. Exemptions include: If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report on subawards, and the total compensation of the five most highly compensated executives of any subrecipient.
 - d. Reporting Total Compensation of Recipient Executives: You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if
 - i. the total Federal funding authorized to date under this award is \$25,000 or more;
 - ii. in the preceding fiscal year, you received 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
 - iv. Subrecipient Executives. Unless you are exempt as provided above, for each first-tier subrecipient under this award, you shall report the names and total

compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if in the subrecipient's preceding fiscal year, the subrecipient received 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and the public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986.

- 71. Understands that failure to comply with any of these assurances may result in suspension, termination, or reduction of grant funds.
- 72. The undersigned represents that he/she is authorized by the above named applicant to enter into this agreement for and on behalf of the said applicant.

Signature of Authorized Agent: _____

Printed Name of Authorized Agent: _____

Title: _____ Date: _____



City of Anaheim POLICE DEPARTMENT

January 14, 2015

Jeff Bowman, Fire Chief
Orange County Fire Authority
1 Fire Authority Road
Irvine, CA 92602

SUBJECT: Notification of Sub-Recipient Award
FY2014 Urban Area Security Initiative (UASI) Grant Program
Grant #2014-SS-00093, CFDA# 97.067
Sub-Recipient Performance Period: January 14, 2015 to March 31, 2016

Requesting Jurisdiction: Orange County Fire Authority

Projects:

H1- UASI Regional Training Program – Instructors	\$48,284
H2 – Fire Training	\$51,000

Total Award: \$99,284

Dear Chief Bowman:

This letter serves to inform you that the Orange County Fire Authority has been approved for grant funding under the FY2014 Urban Areas Security Initiative (UASI) Grant Program. The Anaheim/Santa Ana UASI (ASAU) recognizes the importance of training and will continue to provide funding for regional training. Over the years, the ASAU has adopted a centralized approach to training where a focused core curriculum of courses was established for first responders in the urban area. This regional concept has been utilized with each grant cycle since FY09 and will continue with FY14 UASI grant funding. Leaders from each jurisdiction are collaborating on the planning and establishment of core training for their respective disciplines to ensure the needs of the region are met at every level.

Due to a reduced UASI grant allocation, reimbursement for overtime and backfill for training is no longer being offered. However, the grant will continue to provide reimbursement for personnel who assist with the instruction and delivery of the approved UASI courses. The funding allocation below is being provided as an estimated value of training instructor participation based on the number of first responders in your agency that have been approved to teach. It is being provided for your City's respective internal budgetary needs only and does not reflect a direct allocation as in the past. Additional funds may be awarded at a later time depending on your agency's participation and available dollars.

Regional Training Program – Instructor Participation

Fire Department: \$48,284

Additional training funds are also being allocated to your agency for the hosting of approved regional fire training courses as selected by the Fire Chiefs. The allocated funds will be used by your agency to pay for costs incurred by the OCFA Training Facility for delivering the specified fire courses. The costs should be represented by the student tuition fees which cover the costs of instructors, materials, and facility space. As stated above, the amount being allocated is an estimate based on delivery of the regional courses selected and does not represent a direct allocation.

Fire Training – Course Delivery & Hosting

Fire Department: \$51,000

As outlined in the FY14 Sub-Recipient Grant Guidance, reimbursement requests and progress reports are to be submitted to the UASI Grant Office on a quarterly basis. This will allow for better grant management and timely reimbursement. Final Training Reimbursement Requests are due no later than **December 31, 2015** and Final Equipment/Salary Reimbursement Requests are due no later than **March 31, 2016**.

If you have any questions regarding this letter, please feel free to contact UASI Grant Coordinator Kerrstyn Vega at (714) 765-1919 or kvega@anaheim.net.

Sincerely,



David Vangsness, Lieutenant
Anaheim Police Department



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 4
Public Hearings

There are no items for Section 4
PUBLIC HEARINGS.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 5A
Discussion Calendar

Air Operations Program Enhancements:
Staffing, Schedule and Safety Management System

Contact(s) for Further Information

Dave Thomas, Assistant Chief Operations Department	davethomas@ocfa.org	714.573.6012
David Steffen, Division Chief Division 7	davidsteffen@ocfa.org	714.527.0537

Summary

This item is submitted to authorize the Fire Chief or his designee to execute program enhancements to the OCFA Air Operations Helicopter Program.

Prior Board/Committee Action

At its February 11, 2015, meeting, the Budget and Finance Committee reviewed and unanimously recommended approval of this item.

Recommended Action(s)

	<u>Fiscal Impact</u>
1. Support the Fire Chief's recommendation to modify the current helicopter work schedule to a 24/7, three platoon schedule.	(\$6,054) annual savings
2. Direct staff to return to the Board of Directors for approval of a contract to construct sleeping accommodations in the existing hangar facility.	\$100,000 one-time cost
3. Approve a sole source contract with Argus-Prism for safety management systems software, training, and maintenance for a three-year term.	\$28,000 three-year cost
4. Authorize the addition of one Firefighter/Paramedic to the Air Operations Helicopter Program during weekends only, for a six-month trial period.	\$65,652 six-month trial
5. Direct staff to include these changes in the FY 2014/15 mid-year budget adjustments that will be submitted to the Board of Directors in March.	

Total Request (facility, software, FF/PM trial)	\$187,598
--	------------------

Impact to Cities/County

This agreement will positively impact services provided to our members.

Fiscal Impact

See above.

Background

See attached extended background.

Attachment(s)

PRISM Agreement

Background

Schedule

The OCFA Air Operations Helicopter Program (Air Ops) has traditionally encompassed a core mission revolving around the operation of a single-mission helicopter exclusive to water dropping, reconnaissance and crew transport. Upon the purchase of additional agency-owned helicopters, the program was expanded to a dual-helicopter model and service was expanded to include remote rescue and Basic Life Support (BLS) level care of rescued victims. In 2008, a Night Vision Goggle (NVG) adaptation and training program was implemented for use in both firefighting and rescue operations, fulfilling a unique and effective need which no other aviation resource within the county could provide. The addition of NVG also allowed for expansion of operational hours, which was traditionally restricted to daylight hours. OCFA Air Operations has a long history of excellent safety and performance and is appropriately equipped and staffed to meet the core mission of wildland firefighting and remote rescue operations. It is recommended that Air Operations implement a 24-hour scheduling model seven days per week. Helicopter available hours will more than double, increasing from 80 to 168 per week. It was illustrated in the R. Dixon Speas report in 2009, that a 24-hour program will capture 25% of missed calls for service that currently fall outside of the 10-hour duty day. Although it seems counterintuitive, there will be a net savings of \$6,054 associated with the implementation of 24-hour scheduling. The savings is realized due to the elimination of supplemental assignment pay that the Fire Captain currently earns while assigned to the 10-hour schedule, which would be eliminated when assigned to a 24 hour shift. The 24-hour shift model would also eliminate overtime costs incurred while conducting NVG training.

Facility – Station 41 (Fullerton)

The OCFA recently purchased and renovated a \$6 million hangar, crew quarters, and maintenance facility located at Fullerton Airport. This facility is equipped with amenities comparable to other fire stations including a kitchen, bathrooms, showers, and locker rooms. Transitioning Air Ops staff to a 24-hour shift schedule would only require modification of the facility to include sleeping accommodations. Property Management staff has estimated the cost of needed improvements to be approximately \$100,000.

Safety Management System

The Argus-Prism Safety Management System (SMS) is a web-based computer program that provides an organized and systematic method of managing risk in the aviation work environment. It applies modern management techniques to the process of safety decision making. A properly implemented SMS allows an organization to identify risk and evaluate specific mitigation measures that could be employed. When an identified risk cannot be effectively mitigated; the SMS program documents the decision-making process. The SMS also reports, in real time via online notification tools, what decisions are made and if an alternate means of accomplishing the task was utilized. Due to state operating agreement requirements, Argus-Prism is the only vendor that provides a helicopter specific SMS that will share data with other public agencies performing wildland firefighting (see attached agreement). Currently the U.S. Forest Service (USFS), Los Angeles County, and Los Angeles City Fire Departments Air Operations Programs are using the Argus-Prism Safety Management System.

The USFS has required that all of its aviation services contractors and cooperators employ an SMS by 2015. In addition, the Federal Aviation Administration (FAA) and International Civil Aviation Organization (ICAO) have begun the implementation of regulations requiring operators to establish a system to manage risk. To comply with these regulations and improve our ability to manage risk associated with the Air Ops, staff is recommending approval of a sole source contract to purchase the Argus-Prism SMS software for a total three-year cost of \$28,000.

Crew Member

OCFA helicopters are currently staffed with a Pilot and a Fire Captain/Crew Chief. When dispatched to a Search and Rescue incident, the helicopter must first pick-up qualified rescuers from one of four technical rescue truck companies stationed within OCFA jurisdiction before proceeding to the victim's location. Staffing one OCFA helicopter with a Firefighter/Paramedic (FF/PM) should improve patient care, reduce response times and increase safety by eliminating the need to land and pick-up a part-time rescuer and/or medic. By providing Advanced Life Support (ALS) capability to the helicopter, the OCFA would provide a better depth of service than it presently does and be more versatile in its response coverage. Therefore, staff is recommending approval to add one FF/PM to the flight crew during weekends only, for a six-month trial period beginning March 1 and ending August 31, 2015. The cost of this six-month trial is \$65,652.

Depending upon available funding in the FY 2015/16 budget, as well as results from the trial period, staff anticipates returning at a later date to request approval to make the FF/PM position permanent and full-time. The addition of a full-time FF/PM post-position (3 employees to cover 3 shifts) would cost \$653,328.

PRISM Subscription and License Agreement

This Subscription and License Agreement ("Agreement") is made between Professional Resources In System Management, LLC ("PRISM") an Ohio limited liability company located at 4240 Airport Road, Suite 300, Cincinnati, Ohio 45226, and Orange County Fire Authority ("Client"), a public agency located at 1 Fire Authority Road, Irvine, California 92602, on February 19, 2015 ("Effective Date").

WHEREAS, PRISM provides Safety Management System support services and has developed a web-based software application ("ARMOR"), and Client desires PRISM to provide such services and software for its use.

NOW, THEREFORE, in consideration of the mutual promises herein, the parties hereto agree as follows:

- A. **Professional Subscription and License.** PRISM agrees to sell, and Client agrees to purchase the PRISM Services ("Services") described below and subject to the limitations and provisions more fully described in the attached *Standard Terms and Conditions*.

Services:

PRISM Professional Subscription: The subscription is a set of tools to support Client's Safety Management System. It includes a login and password to access the PRISM website, including ARMOR at <http://PRISM.aviationresearch.com> and <https://PRISM.aviationresearch.com>.

- B. **Fees and Term.** Client agrees to pay the fees listed below (including any applicable taxes). PRISM will bill charges to the Client address first listed above.

Fees:

Start Up Package \$4,225.00 (SMS Manual, ERP Manual and seat in SMS Workshop)
PRISM Professional Subscription: \$6,850.00 (for 10 aircraft and under) + \$120.00 each aircraft over 10 per year

Grant of License: Included in PRISM Professional Subscription

Initial Term: One Year.

- C. **Renewal and Termination.** After the initial term, the Agreement shall automatically renew for additional one (1) year periods on the anniversary date of the Effective Date, unless terminated by either PRISM or Client in writing at any time after the initial term. Client may exercise its right to terminate following the initial term by notifying PRISM by pre-paid, first-class mail to the address set forth above, or e-mail to PRISM@aviationresearch.com, receipt of which must be confirmed by email reply, of the decision to terminate the Agreement. PRISM may exercise its right to terminate following the initial term by notifying Client by pre-paid, first-class mail to the address set forth above, or email to debbiecasper@ocfa.org, receipt of which must be confirmed by email reply, of the decision to terminate the Agreement. Termination by either party shall be effective thirty (30) days following receipt by the non-terminating party of written notice of the terminating party's intent to terminate. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this section. Terminations during a renewal term are not due a refund for the unused portion of the service. PRISM reserves the right to amend the fees after the initial term of the Agreement upon reasonable notice to Client. Renewal services will be billed on an annual basis, consistent with the anniversary date of this Agreement.

IN WITNESS WHEREOF, the parties, intending to be legally bound by this Agreement have read and fully reviewed this Agreement and have caused this Agreement to be executed by their authorized representatives as of the dates indicated below.

PRISM:
Professional Resources In System Management, LLC

Client:

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

STANDARD TERMS AND CONDITIONS

1. Changes to Agreement. This Agreement constitutes the full and complete understanding and agreement of the parties relating to the subject matter hereof and supersedes all prior understandings and agreements relating to such subject matter. Any waiver, modification, or amendment of any provision of this Agreement shall be effective only if in writing and signed by the parties.

2. Access to PRISM Website and ARMOR.

PRISM reserves the right to change or revoke Client's user name and password used to access the PRISM website, including ARMOR, as it deems necessary with just cause. Client is responsible for maintaining the confidentiality of password, and for limiting the use of the access only to Client employees or authorized representatives.

3. ARMOR Updates. Updates will be implemented in the PRISM web-based solution including ARMOR from time to time, as changes to the software are completed.

4. Grant of License. Subject to the terms and conditions of the Agreement, PRISM grants to Client a non-exclusive, non-transferable license to use the ARMOR software for the purpose of managing and supporting Client's Safety Management System. Client may use ARMOR in executable format for its own use. Client may not, however, transfer or sublicense ARMOR to any third party, in whole or in part, in any form, whether modified or unmodified.

5. Termination Certificate. Upon termination of this Agreement, Client's License to use ARMOR is also terminated. Client will immediately discontinue use of the ARMOR software. Upon request by Client, made within 30 days after the effective date of termination of this Agreement, PRISM will make available to Client for download, at no additional cost to Client, a file of Client's data in comma separated value (.csv) format. After such 30-day period, PRISM shall have no obligation to maintain or provide any of Client's data and shall thereafter, unless legally prohibited, delete all of Client's data in PRISM's systems or otherwise in our possession or under our control.

6. Proprietary Rights. Client recognizes that PRISM regards ARMOR as its proprietary information and as confidential trade secrets of great value. Subject to the limited rights expressly granted hereunder, PRISM reserves all rights, title and interest in and to the PRISM website and ARMOR, including all related intellectual property rights. No rights are granted to Client hereunder other than as expressly set forth herein. Client agrees not to provide or to otherwise make available in any form, ARMOR or any portion thereof, except as may be required by

law, to any person other than employees of Client without the prior written consent of PRISM. Client further agrees to treat ARMOR with at least the same degree of care with which Client treats its own confidential information and in no event with less care than is reasonably required to protect the confidentiality of ARMOR.

7. WARRANTY DISCLAIMER. PRISM LICENSES, AND CLIENT ACCEPTS ARMOR "AS IS." PRISM PROVIDES NO WARRANTIES AS TO THE FUNCTION OR USE OF ARMOR, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF ARMOR IS WITH CLIENT. PRISM DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN ARMOR WILL MEET CLIENT'S REQUIREMENTS OR THAT THE OPERATION OF ARMOR WILL BE UNINTERRUPTED OR ERROR FREE.

8. Liability Limitation. PRISM shall not be liable to Client or anyone claiming by right of Client for any special, punitive, exemplary, incidental, indirect or consequential damages whatsoever, including lost profits or loss of business arising out of, resulting from, or in any way related to the services under this Agreement.

9. PRISM Responsibilities. PRISM shall be responsible for the following in regards to the PRISM website and ARMOR:
a) provide basic support of the website and ARMOR, provided to CLIENT at no additional charge, including fixing any software bugs, b) use commercially reasonable efforts to make the website and ARMOR available 24 hours a day, 7 days a week, except for: (i) planned downtime (of which PRISM shall give at least 8 hours notice via email to users) or (ii) any unavailability caused by circumstances beyond PRISM's reasonable control, including without limitation, acts of God, war, or terrorism; changes in law or other governmental action; acts of third parties; or strikes or other such labor difficulties, internet service provider failures or delays, or denial of service attacks, and (iii) provide the website and ARMOR only in accordance with applicable laws and government regulations.

10. PRISM Protection of Client Data. PRISM shall maintain appropriate administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Client data. PRISM shall not (a) modify CLIENT data, (b) disclose Client data except as compelled by law or as expressly permitted in writing by CLIENT, (c) access CLIENT data except to provide the services in this Agreement and system access and prevent or address service or technical problems, or at CLIENT's request in

connection with customer support matters, or (d) acquire any rights, title or interest from Client in or to Client's data.

11. Indemnification.

A. Client shall indemnify, defend, and hold harmless PRISM and its agents, employees, subsidiaries, and other affiliates (collectively, "Affiliates") from and against any and all costs, liabilities, damages, losses, or expenses (including amounts paid in settlement and reasonable fees of attorneys and other professionals) incurred by PRISM as a result of any claim, demand, or action against PRISM asserted by a third party arising out of or in connection with (a) Client's business, including without limitation (i) the operation of aircraft; (ii) any harm to Client's passengers or customers; (iii) Client's reliance on any PRISM Materials; (b) Client's breach of any covenants, warranties, or representations made herein; (c) Client's violation of any applicable federal, state, and local laws and regulations; or (d) PRISM's reliance on or use of any Client information whether publicly available or provided by Client (or its personnel, whether or not authorized) to PRISM in connection with the services provides by this Agreement.

B. PRISM shall indemnify, defend, and hold harmless Client and its officers and employees, from and against any and all actions, suits, proceedings, claims, demands, losses, costs, and expenses, including legal costs and attorneys' fees, for injury to or death of person or persons, for damage to property, including property owned by Client, and for errors and omissions committed by PRISM, its agents, subsidiaries, and other affiliates, arising out of or related to PRISM's performance under this Agreement, except for such loss as may be caused by Client's own negligence or that of its officers or employees.

12. Severability. If any provision of this Agreement other than those provisions relating to the assignment of rights to Client is found by a court of competent jurisdiction to be unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect

13. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the parties expressly agree that any action arising out of this Agreement shall be brought in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and PRISM covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

14. Headings. Headings used in this Agreement are provided for convenience of reference only and are not intended to limit or affect the scope or meaning of the provisions they introduce.

15. Counterparts. This Agreement may be executed in any number of identical counterparts, all of which evidence only one agreement.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 5B
Discussion Calendar

**Orange County Employees Retirement System (OCERS)
Pension Plan Opt Out Regulation**

Contact(s) for Further Information

Dave Kendig, General Counsel	dkendig@wss-law.com	714.415-1083
Jeremy Hammond, Director Human Resources Department	jeremyhammond@ocfa.org	714.573.6018

Summary

This item would adopt an OCERS regulation for newly-hired OCFA employees aged 60 or older who wish to opt out of OCERS and its pension plans.

Prior Board/Committee Action

Not Applicable.

Recommended Action(s)

1. Make the OCERS regulation on Waiver of Membership applicable to employees of the OCFA, allowing any eligible employee of the OCFA to waive membership in the OCERS that he/she is entitled to by virtue of employment with OCFA in an OCERS-covered position and upon meeting the requirements of the OCERS regulation.
2. Approve and authorize the Fire Chief or his designee to sign the OCERS Employer's Concurrence Waiver of Membership Form.
3. Approve and authorize the Human Resources Department to provide the OCERS Waiver of Membership Form to all newly-hired employees to determine whether an employee electing to waive membership is eligible to participate in state or federal programs providing retirement benefits and to ensure the necessary steps are taken to enroll the employee in any such program.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Not Applicable.

Background

This item comes to you at the request of Director Spitzer with the concurrence and support of Fire Chief Bowman. The OCERS Board of Retirement passed a regulation allowing newly-hired employees who are at least 60 years old to knowingly waive their right to become a member of OCERS, provided that the employee has no funds on deposit with OCERS. The regulation was subject to ratification by the Orange County Board of Supervisors, which did so on November 18, 2014, thereby allowing the regulation to go into effect.

However, the regulation also required each plan sponsor (i.e. employers like the OCFA) to make the regulation applicable to itself before any of its eligible newly-hired employees could elect to waive OCERS membership.

There have been prior instances in which newly-hired OCFA employees sought to waive OCERS membership, but could not do so because the regulation had not yet been ratified.

In order to allow eligible newly-hired OCFA employees (i.e. newly-hired OCFA employees aged 60 or older with no previous service credit in OCERS) to waive OCERS membership, the Board must first approve making the regulation applicable to the OCFA.

If this item is approved, then any eligible newly-hired OCFA employee may waive OCERS membership by executing the OCERS Waiver of Membership Form and providing a certified copy of his/her birth certificate.

Attachment(s)

1. OCERS Form – Employer’s Concurrence Waiver of Membership
2. OCERS Form – Employee Waiver of Membership



EMPLOYER'S CONCURRENCE - WAIVER OF MEMBERSHIP
(Government Code §31552)

_____ hereby makes OCERS' regulation on
 (Name of agency)

Waiver of Membership applicable to employees of the agency, allowing any eligible employee of the agency to waive membership in Orange County Employees Retirement System (OCERS) that he/she is entitled to by virtue of employment with this agency in an OCERS' covered position and upon meeting the requirements of the OCERS' regulation.

By making the regulation applicable, the agency understands that it bears the sole responsibility to determine whether an employee electing to waive membership is eligible to participate in state or federal programs providing retirement benefits, to ensure the necessary steps are taken to enroll the employee in any such program and for any impact on other employees of the agency.

This concurrence is authorized by a majority vote of the governing body of the agency identified below on _____.
 (Date)

Name of Agency: _____

By: _____ Date signed: _____
 Signature of Authorized Representative

Printed name of Authorized Representative: _____

Title of Authorized Representative: _____

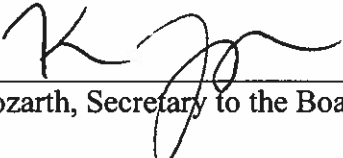
**OCERS' REGULATION – WAIVER OF MEMBERSHIP
(GOVERNMENT CODE §31552)**

A newly hired employee who has attained the age of 60 at the time of hire may elect to waive membership in Orange County Employees Retirement System (OCERS) under the following conditions:

- (a) The member signs OCERS Waiver of Membership form attesting that the member knowingly waives the right to become a member of OCERS, that the member has no funds on deposit with OCERS and that the member bears all responsibility for the decision to waive membership; and
- (b) The member's employer has signed OCERS Employer's Concurrence – Waiver of Membership form attesting that the employer makes this regulation applicable to the employer and bears all responsibility to ensure the employees are enrolled in any applicable state or federal programs providing retirement benefits; and
- (c) The member provides a certified copy of his or her birth certificate.

Regulation History

The Board of Retirement adopted this regulation on November 20, 2006.



Keith Bozarth, Secretary to the Board

11-20-06

Date



**WAIVER OF MEMBERSHIP
(Government Code § 31552)**

I, _____, having attained the age of sixty or greater, and
 (Name of employee)
 having no service credit or funds on deposit with Orange County Employees Retirement System (OCERS), hereby expressly and unequivocally waive all rights to membership in OCERS and any benefits that would accrue by virtue of my employment with _____, commencing on _____.
 (Name of employer) (Date of employment)

I understand that by waiving my membership I am not eligible to earn service credit in OCERS nor have any funds deposited by me or on my behalf to OCERS for purposes of accruing retirement benefits. I further understand that California Government Code § 31552 provides in part that in cases where an employee has signed this type of waiver, "said employee upon attaining the age of 70 shall thereafter be employed from year to year at the discretion of the [employer]." I further understand that I bear all legal responsibility for the decision to waive membership and any consequence that results from this decision.

Attached hereto is a certified copy of my birth certificate.

Dated: _____

 Printed Name

 Signature

Attachment



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 5C
Discussion Calendar

Urban Search & Rescue Warehouse

Contact(s) for Further Information

Dave Thomas, Assistant Chief Operations Department	davethomas@ocfa.org	714.573.6012
Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Bryan Brice, Division Chief Division 5	bryanbrice@ocfa.org	949.389.0055

Summary

This item is submitted to authorize the Fire Chief or his designee to enter escrow for the purchase of an Urban Search & Rescue (US&R) warehouse.

Prior Board/Committee Action

At its September 26, 2013, meeting, the Board of Directors authorized a \$5.5 million budget for the purchase of a US&R warehouse; authorized the Fire Chief or his designee to enter into discussions with property owners; and directed the Fire Chief to return to the Board for approval to enter escrow and purchase the identified property.

Recommended Action(s)

1. Approve the draft Purchase Agreement and Escrow Instructions as to form and authorize the Fire Chief to approve any additional modifications that may be needed to the Agreement, based on final negotiations with the property owner, and approved as to form by General Counsel.
2. Approve and authorize the Fire Chief or his designee to execute the final Purchase Agreement and Escrow Instructions issue a Letter of Intent to enter escrow and place a \$100,000 refundable deposit into escrow for the purchase of an Urban Search & Rescue (US&R) warehouse.
- 1-3. Find that the purchase is Categorically Exempt from the provisions of CEQA under Section 15301 (Existing Facilities) of the Guidelines for the California Environmental Quality Act since the proposed purchase and operation of the existing warehouse facility will result in negligible or no expansion of the existing use of the subject property.
- 2-4. Direct the Fire Chief or his designee to complete due-diligence reviews during the escrow period, including consideration of any CEQA requirements, completion of a property appraisal, title report, and identification of any facility improvements that will be needed to ensure proper function of the facility as a US&R warehouse.
- 3-5. Direct staff to return to the Board of Directors in March 2015 to provide an update regarding the due-diligence reviews and to request approval of the for approval of a Purchase Agreement and any necessary budget adjustments for completion of the purchase.

Impact to Cities/County

Purchase of a warehouse will significantly improve operational efficiency for the US&R team. It moves US&R specialty equipment and vehicles from seven fire stations to a central location creating capacity at the stations for apparatus/equipment required for delivery of local services.

Fiscal Impact

A \$5.5 million budget was approved for a US&R warehouse in September 2013. Depending upon price negotiations (to be discussed with the Board in Closed Session), a budget adjustment may be required.

Background

The OCFA's US&R team, identified as California Task Force Five (CA-TF5), is sponsored by the Orange County Fire Authority and is one of 28 National US&R Task Forces. CA-TF5 uses grant funds and activation reimbursements to equip and train task force members for the mission of rescuing victims in collapsed structures and for weapons of mass destruction/terrorist responses. The needed rescue equipment referred to as "cache," is stored loaded on vehicles purchased by the Federal grant and is comprised of five tractor-trailer trucks, six light duty vehicles (pickup trucks/SUV), and eight cargo trailers. This fleet of vehicles is used to transport and support \$8 million of equipment utilized in multi-hazard task force deployments including earthquakes, hurricanes, typhoons, storms, tornadoes, floods, dam failures, technological accidents, terrorist activities, and hazardous materials releases throughout the United States, the State of California, and in support of local emergencies.

Under the Cooperative Agreement with the Federal Emergency Management Agency (FEMA), OCFA is required to maintain the vehicle fleet and cache items in a secured, climate controlled environment. The storage requirement is currently accomplished by housing vehicles among seven OCFA fire stations (40, 42, 45, 51, 54, 57, and 58) throughout Orange County. The current storage arrangement strains OCFA's ability to store other OCFA purchased equipment/apparatus. It also creates accountability and efficiency issues for both the FEMA vehicle and equipment cache and OCFA apparatus and equipment.

During a 2013 Administrative Readiness Review conducted by FEMA, OCFA was graded down in storage compliance for not possessing a central warehouse. CA-TF5 is the only Federal Team without a central warehouse. Lack of a central warehouse creates several operational inefficiencies, liabilities, and challenges, such as:

1. Diminished accountability of cache items.
2. Cost, delay, and inefficiency to continuously relocate vehicles for maintenance, inventory (unpacking/repacking), operations, and regular training.
3. Inefficient mobilization processing for the immediate activation, equipment issue, and dispatch of up to 210 personnel.

For several years, a US&R warehouse has been identified as a priority for OCFA and it has received prior Board support, as identified in the Santiago Fire After-Action Report. Staff has been searching for either an existing facility or for land which could be purchased for construction of a warehouse. On occasion, prospective properties have been identified; however, all prior properties either failed to meet our needs or were not available for purchase within our potential terms.

With the assistance of a real estate agent (Jeff Carr, CBRE), staff has recently identified a warehouse in the City of Lake Forest that can feasibly fit our needs to serve as a central warehouse for OCFA (Attachment 1). Additional review is necessary, including determination of any facility improvements that will be required to ensure proper function of the facility as a US&R warehouse. Mr. Carr has approached the owner on behalf of OCFA and has tentatively discussed potential purchase terms. Staff will be discussing negotiation of price and terms of payment with the Board in Closed Session.

Contingent upon the Closed Session discussion, staff is requesting authorization for the Fire Chief to approve any final modifications that may be needed to the Purchase Agreement and Escrow Instructions, based on final negotiations with the property owner, and approved as to form by General Counsel to issue a Letter of Intent to enter escrow and place a \$100,000 refundable deposit into escrow for the purchase (Attachment 2).

Purchase of a warehouse will allow OCFA to meet the requirements of the FEMA Cooperative Agreement for the storage of federally purchased equipment and vehicles, and it will correct the operational inefficiencies, challenges, and liabilities mentioned above.

Attachment(s)

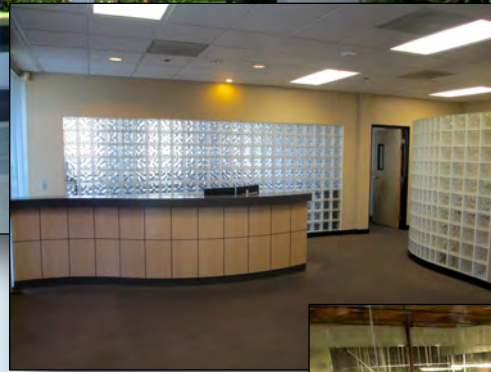
1. Property Brochure
2. Purchase Agreement and Escrow Instructions~~Letter of Intent~~



WESTAMERICA GRAPHICS

FOR LEASE

33,870 SF including
11,770 2-Story Office
19682 Descartes
Foothill Ranch, CA



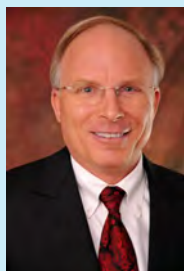
Property Highlights:

- Corporate Headquarters | High Image | Drive Around Building
- 33,870 SF Building | 11,770 SF 2-Story Office | 1.91 Acre Lot | Park 2:1
- Warehouse Production Offices, Locker and Restrooms | 25' Clearance
- Two 12'x12' GL Doors | One 10'x10' TW Door 18'Wx50'D Concrete Apron
- High Compression Concrete Warehouse Floor 10,266 sf (118'Wx87'D)
- 1,200 AMPS, 277/480, 3-Phase Panel | Sprinklered | Heating | Exhaust Fans
- Close to Foothill (241) Transportation Corridor | Rancho Towne Center



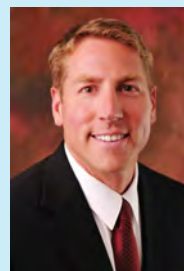
18101 Von Karman Ave.
Suite 330
Irvine, CA 92612

COMMERCIAL REAL ESTATE INNOVATION SINCE 1985



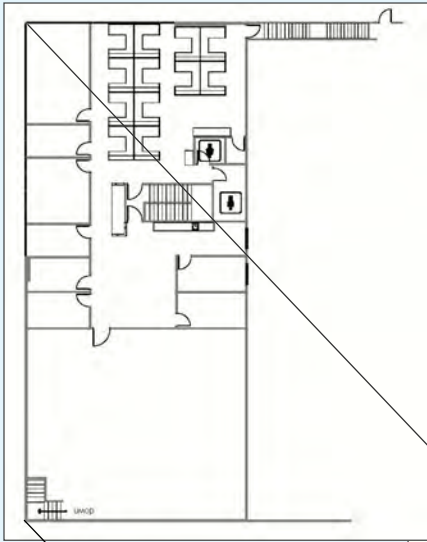
Steve Eberle

MBA, CCIM, LEED AP O+M
BRE Lic # 01913918
(949) 251-6566
seberle@EberleCompany.com

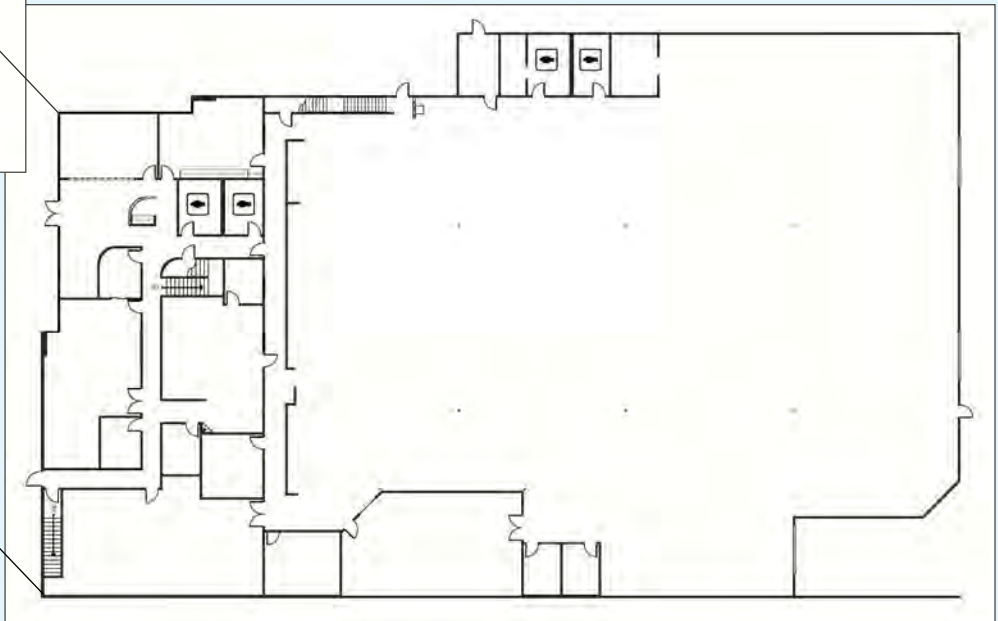


Ed Linck

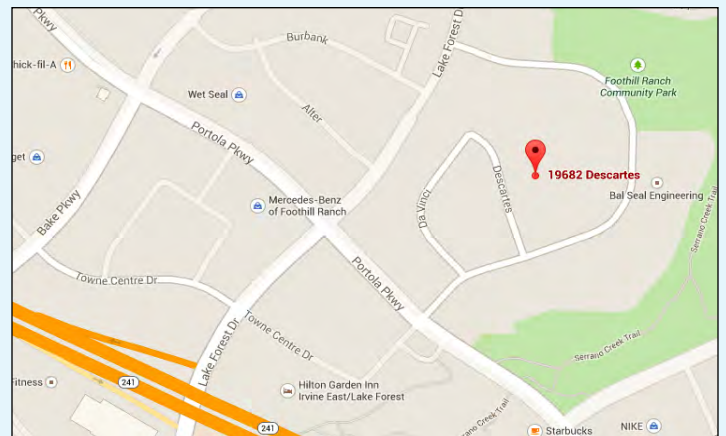
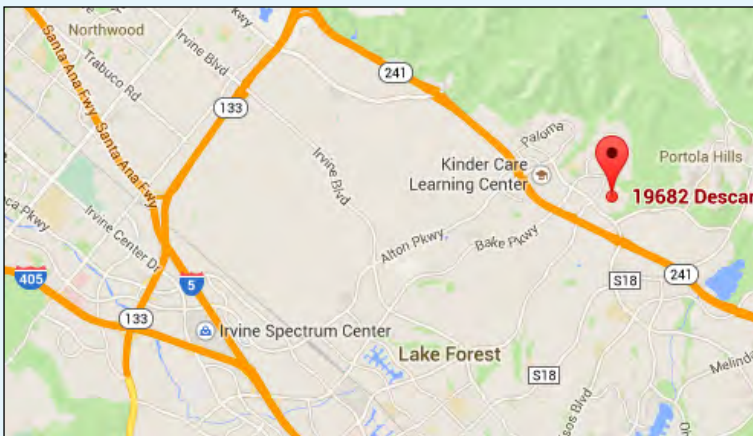
BRE Lic# 01913918
(949) 251-6566
elinck@EberleCompany.com



2nd Floor



1st Floor



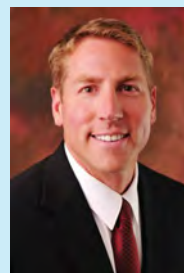
18101 Von Karman Ave.
Suite 330
Irvine, CA 92612

COMMERCIAL REAL ESTATE INNOVATION SINCE 1985



Steve Eberle

MBA, CCIM, LEED AP O+M
BRE Lic # 01913918
(949) 251-6566
seberle@EberleCompany.com



Ed Linck

BRE Lic# 01913918
(949) 251-6566
elinck@EberleCompany.com

PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS (“Agreement”) is made as of February 10, 2015 (the “Effective Date”), by and between FOOTHILL MULLER, LLC, a California limited liability company (“Seller”), and ORANGE COUNTY FIRE AUTHORITY, a Joint Powers Authority (“Buyer”), as follows:

1. Purchase and Sale. Upon all the terms and conditions contained herein, Buyer hereby agrees to purchase from Seller and Seller agrees to sell to Buyer all of Seller’s right, title and interest in and to that certain real property more particularly described on Exhibit “A” attached hereto and incorporated herein by reference (the “Land”), together with the building thereon commonly known as 19682 Descartes, Foothill Ranch, California (the “Building”), and all appurtenances thereto. The Land, the Building and all such appurtenances, to the extent the same are owned by Seller, are hereinafter collectively referred to as the “Property.”

2. Opening of Escrow. Concurrently with the execution of this Agreement, Seller and Buyer shall open an escrow (the “Escrow”) with First American Title Company at 18500 Von Karman Ave, Suite 600, Irvine, California 92612, Attn: Ryan Hahn (the “Escrow Holder”) by delivering a fully executed copy of this Agreement to Escrow Holder. Escrow Holder will execute copies of this Agreement and return fully executed copies hereof to Buyer and Seller when Escrow has opened. Escrow shall be deemed open upon Escrow Holder’s execution hereof. In addition, the parties agree to be bound by the Escrow General Provisions attached hereto as Exhibit B and incorporated herein by this reference. In the event of any discrepancy between this Agreement and such Escrow General Provisions, the provisions of this Agreement shall prevail.

3. Closing of Escrow. The closing (the “Closing”) of the purchase and sale of the Property shall take place through Escrow on or before April 15, 2015 (the “Closing Date”).

4. Purchase Price. The purchase price for the Property (the “Purchase Price”) shall be **price to be inserted following Closed Session discussion with the Board of Directors**. The Purchase Price shall be payable as follows:

(a) Deposit. Within two (2) business days after the Effective Date, Buyer shall deposit into Escrow cash in the amount of One Hundred Thousand Dollars (\$100,000) (the “Deposit”). Escrow Holder is hereby instructed to deposit such amount in an interest bearing account as directed by Buyer and as permitted by Exhibit B. Subject to Section 9(b), all interest earned thereon shall be credited to the account of Buyer. Buyer shall pay all costs and assume all risks in connection with such account. The Deposit (together with all interest earned thereon) shall become non-refundable upon the expiration of the Due Diligence Period (as defined below) and shall be credited against the Purchase Price as of the Closing.

(b) Cash at Closing. The remainder of the Purchase Price shall be deposited into Escrow, in cash or by wire transfer of immediately available federal funds, by Buyer at least one (1) business day prior to Closing.

5. Costs and Prorations.

(a) Escrow and Title Fees. Buyer and Seller shall each pay one-half (1/2) of the Escrow fees, recording fees and filing fees. Seller shall bear the cost of the premium which would be required for a CLTA Standard Coverage Owner's Policy of Title Insurance with regional exceptions if issued by the Title Company (as defined below) insuring Buyer in the amount of the Purchase Price. Buyer shall bear the cost of any increased premium attributable to endorsements and the delivery of an extended coverage, ALTA Owner's Policy of Title Insurance and any survey costs in connection therewith. All other costs or expenses not otherwise provided for in this Agreement shall be apportioned or allocated between Buyer and Seller in the manner customary in Orange County, California.

(b) Taxes and Assessments. All current real property taxes and all payments on general and special bonds and assessments on the Property shall be prorated through Escrow between Buyer and Seller as of Closing based upon the latest available tax information, using the customary escrow procedures. Any taxes levied under the Supplemental Tax Roll applicable to the period prior to the Closing Date shall be paid by Seller and any such taxes applicable to the period from and after the Closing Date shall be paid by Buyer.

6. Conditions to Closing. The obligations of Seller and Buyer to complete the purchase of the Property are subject to satisfaction of the conditions set forth below at or prior to Closing.

(a) Preliminary Report. Buyer shall examine the _____ 2015 Preliminary Title Report No. _____ (the "Preliminary Report") for the Property prepared by First American Title Insurance Company (the "Title Company"), including all schedules and exhibits thereto and together with true and correct copies of all instruments giving rise to any exceptions to title to the Property. Seller shall not be obligated to cause any matters listed as exceptions on the Preliminary Report to be removed. Buyer shall have until 5:00 PST on March 31, 2015 (expiration of the "Due Diligence Period") to review and approve the Preliminary Report. Additionally, if the Title Company discloses any additional exceptions to title which are not shown on the Preliminary Report, then Buyer shall have until the later to occur of (i) three (3) business days after receipt of written notice of the existence of such additional exception or (ii) the expiration of the Due Diligence Period, to review such exception. Unless Buyer gives Seller and Escrow Holder written notice of Buyer's disapproval of any exception set forth on the Preliminary Report or of any such additional exception prior to the expiration of the applicable foregoing period, Buyer shall be deemed to have approved of the Preliminary Report and/or of such additional exception, as applicable. If Buyer timely gives written notice to Seller and to Escrow Holder of Buyer's disapproval of any exception set forth on the Preliminary Report or of any such additional exception, then Seller may elect, by giving written notice of such election to Buyer and to Escrow Holder within three (3) business days after receipt of Buyer's written notice of disapproval of any exception set forth on the Preliminary Report or of any such additional exception, to terminate this Agreement or to cause such exception to be removed from title prior to the Closing. Unless Seller gives written notice within such three (3) business day period that Seller will cause such exception to be removed from title prior to the Closing, this Agreement shall terminate and the provisions of Section 6(h) shall apply. Notwithstanding the foregoing, Buyer shall not have the right to object to any exceptions resulting from Buyer's actions, and any

such exceptions are hereby approved by Buyer (the foregoing shall not be deemed to permit Buyer to create any exceptions to title prior to the Closing).

(b) Property Studies. Buyer shall have until the expiration of the Due Diligence Period to enter upon the Property at reasonable times after the giving of at least forty-eight (48) hours' notice to Seller, for the purpose of conducting soil, engineering and other tests, and to undertake such studies as Buyer may deem necessary and desirable, and to review records and plans relating to the Property. Any such tests or studies shall be subject to the rights of the existing tenant of the Property. Immediately after such testing or studies, Buyer shall restore the Property to same condition as prior to performing such testing or studies. If Buyer determines that Buyer is dissatisfied with the results of such tests or studies and Buyer gives written notice to Seller and to Escrow Holder specifying such dissatisfaction prior to the expiration of the Due Diligence Period, then this Agreement shall automatically terminate concurrently with the giving of such notice to Seller. Buyer's failure to give written notice of such dissatisfaction within the Due Diligence Period shall be deemed to constitute Buyer's approval thereof. Buyer shall obtain, or shall cause each of its representatives intending to conduct tests or studies upon the Property to obtain, one or more policies of general commercial liability insurance in a minimum amount of Two Million Dollars (\$2,000,000) per occurrence/annual aggregate, naming Seller as an additional insured, and Buyer shall provide Seller with evidence that such insurance is in place prior to entering the Property. Buyer hereby defends, indemnifies and holds Seller and Seller's affiliates harmless from any and all losses, damages, costs, liabilities and expenses, including, without limitation, reasonable attorneys' fees (and those fees incurred upon any appeals) and court costs incurred or suffered by Seller, whether directly or proximately, as a result of negligence, recklessness, or willful misconduct by Buyer or Buyer's representatives entering upon the Property. Buyer's obligations to restore the Property, and to defend, indemnify and hold Seller harmless, pursuant to this paragraph shall survive the Closing and the termination of this Agreement.

(c) Reports. Buyer shall have until the expiration of the Due Diligence Period to obtain soils, geology and environmental reports (the "Reports") with respect to the Property. Buyer may enter upon the Property at reasonable times after the giving of at least forty-eight (48) hours' notice to Seller, for the purpose of preparing the Reports. Any such entry shall be subject to the rights of the existing tenant of the Property. Immediately after performing any physical work on the Property in connection with the preparation of any Reports, Buyer shall restore the Property to same condition as prior to performing such work. If Buyer determines that Buyer is dissatisfied with the findings in any Reports and Buyer gives written notice to Seller and to Escrow Holder specifying such dissatisfaction prior to the expiration of the Due Diligence Period, then this Agreement shall automatically terminate concurrently with the giving of such notice to Seller. Buyer's failure to give written notice of such dissatisfaction within the Due Diligence Period shall be deemed to constitute Buyer's approval thereof. Buyer shall obtain, or shall cause each of its representatives intending to enter upon the Property to obtain, one or more policies of general commercial liability insurance in a minimum amount of Two Million Dollars (\$2,000,000) per occurrence/annual aggregate, naming Seller as an additional insured, and Buyer shall provide Seller with evidence that such insurance is in place prior to entering the Property. Buyer hereby defends, indemnifies and holds Seller and Seller's affiliates harmless from any and all losses, damages, costs, liabilities and expenses, including, without limitation, reasonable

attorneys' fees (and those fees incurred upon any appeals) and court costs incurred or suffered by Seller, whether directly or proximately, as a result of negligence, recklessness, or willful misconduct by Buyer or Buyer's representatives entering upon the Property. Buyer's obligations to restore the Property, and to defend, indemnify and hold Seller harmless, pursuant to this paragraph shall survive the Closing and the termination of this Agreement.

(d) Seller's Disclosure. Seller shall complete and provide to Buyer within five (5) days following the Effective Date, the Seller's Mandatory Disclosure Statement and Property Information Sheet attached hereto as Exhibit C and incorporated herein by this reference.

(e) Contingency. Buyer acknowledges that the Property is currently subject to that certain unrecorded lease dated April 16, 2002 with WestAmerica Graphics Corporation (the "Lease"). A condition to Seller's obligations to sell the Property to Buyer, and Buyer's obligation to purchase the Property from Seller, is Seller's ability to terminate the Lease at or prior to the expiration of the Due Diligence Period. If Seller is not successful in terminating the Lease at or prior to the expiration of the Due Diligence Period, then Buyer may terminate this Agreement by written notice to Seller given at any time after the expiration of the Due Diligence Period and prior to the termination of the Lease. If this Agreement is terminated pursuant to this Section, then the provisions of Section 6(h) below shall apply.

(f) Removal of Fixtures. Prior to Closing, Seller shall at its sole cost and expense, remove any signage, equipment, furniture, and clean and remove any debris from the premises except as may be otherwise directed in writing by Buyer.

(g) Termination of all Service and Maintenance Contracts. Prior to Closing, Seller shall at its sole cost and expense, terminate any and all service and maintenance contracts for the Property, except as may otherwise be directed in writing by Buyer.

(h) Termination. If Buyer or Seller elects to terminate this Agreement as provided above in this Section 6 or as otherwise provided herein where this Section 6(h) is specifically referred to, the electing party shall send written notice thereof to the other party and Escrow Holder. Upon receipt of such notice, Escrow Holder shall return all funds deposited into Escrow and any documents held by Escrow Holder to the parties depositing same. All title and Escrow cancellation charges, if any, shall be paid equally by Buyer and Seller. Upon return of such funds and documents by Escrow Holder and subject to Section 10 below and the last sentence of Sections 6(b) and 6(c) above, the parties hereto shall have no further rights or obligations under this Agreement, which shall be deemed cancelled for all purposes.

7. Documents at Closing.

(a) Transfer and Possession. Seller shall deliver through Escrow an executed and recordable Grant Deed in the form attached hereto and incorporated herein as Exhibit C (the "Grant Deed") sufficient to convey good title to Buyer, subject only to the exceptions described in the next following subsection. When all required funds and instruments have been deposited into Escrow by the appropriate parties and when all other conditions to Closing have been

fulfilled, Escrow Holder shall cause the Grant Deed to be recorded. Buyer shall not be entitled to possession of the Property until the Grant Deed has been so recorded.

(b) Title. Seller shall cause the Title Company to be prepared or committed to deliver to Buyer a CLTA Standard Coverage Owner's Policy of Title Insurance dated as of Closing. If Buyer requires an extended coverage ALTA Owner's Policy of Title Insurance or endorsements, Buyer shall notify Escrow Holder of such requirement and deliver to Escrow Holder, at Buyer's sole cost and expense and in a timely manner so as to not delay the Closing, an ALTA survey adequate for the issuance of such ALTA extended coverage policy. The title policy shall insure Buyer in an amount equal to the Purchase Price, and show title vested in Buyer subject only to:

- (i) All exceptions set forth on the Grant Deed;
- (ii) The usual printed Title Company exceptions;
- (iii) All exceptions shown on the Preliminary Report; and
- (iv) All other exceptions approved in writing by Buyer.

Pending Closing, Buyer shall not, without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion, record this Agreement or a short form or memorandum hereof, or take any other action which would materially and adversely affect the marketability of Seller's title to the Land.

(c) Community Facilities District. Buyer acknowledges that the Land is within the boundaries of the County of Orange Community Facilities District No. 87-4 ("CFD 87-4") and that a special tax will be included in Buyer's annual property tax bill for the repayment of bonded indebtedness incurred by CFD 87-4, all as more specifically set forth in a Notice of Special Tax ("Notice") in the form attached hereto and incorporated herein as Exhibit E. Concurrently with the execution of this Agreement, Buyer shall execute and deliver to Seller the Notice.

8. Assignment. Seller may not assign its rights and interests under this Agreement without Buyer's prior written consent, which consent shall not be unreasonably withheld by Buyer. Buyer shall not assign its rights or interests hereunder without Seller's prior written consent, which consent shall not be unreasonably withheld by Seller. Any attempted assignment made in violation of this Section shall be null and void.

9. Time of Essence and Defaults. Time is of the essence of every provision of this Agreement in which time is an element. Failure by one party to perform any obligation within the time and on the terms and conditions required hereunder shall discharge the other party's duties and obligations to perform hereunder upon written notice or demand from the other party. However, if Escrow is not in a condition to close by the agreed Closing Date, Escrow Holder shall continue to comply with the instructions contained herein until a written demand has been made by a party entitled to do so for the cancellation of Escrow, as described below. Escrow Holder shall notify the other party of any such demand, and shall immediately cancel Escrow without any further instructions from any party.

(a) Seller's Failure. If Seller fails (i) to deposit the Grant Deed pursuant to Section 7(a) above, or (ii) to be in a position by closing to convey title to the Land and Building subject only to the matters described in Section 7(b) above, and Buyer is unwilling to accept such title to the Property as Seller may be able to convey without any agreed diminution in the Purchase Price, then, without prejudice to any rights to damages which Buyer may have against Seller, either party may terminate this Agreement and the Escrow by giving written demand to the other party and Escrow Holder. In the event of any such termination, subject to the provisions of Section 6(h) if applicable, (A) Escrow Holder shall promptly return all funds and shall return all instruments to the parties which had deposited the same, (B) Seller shall reimburse Buyer for Buyer's actual third-party out-of-pocket costs incurred in connection with Buyer's diligence up to, but not in excess of, Fifty Thousand Dollars (\$50,000), and (C) all title and Escrow cancellation charges shall be charged to Seller.

Buyer's Failure. IF ESCROW DOES NOT CLOSE DUE TO BUYER'S FAILURE TO DEPOSIT ANY REQUIRED SUMS BY THE PRESCRIBED TIME OR TO PERFORM ANY OTHER ACT WHEN DUE HEREUNDER, WHICH FAILURE SHALL BE DEEMED A MATERIAL BREACH OF A CONDITION PRECEDENT, OR IF SELLER HAS NOTIFIED ESCROW HOLDER AND BUYER THAT THIS AGREEMENT AND ESCROW ARE THEREBY TERMINATED DUE TO BUYER'S HAVING COMMITTED ANY OTHER BREACH OF THIS AGREEMENT, THEN SELLER SHALL RECEIVE THE DEPOSIT THEN HELD BY ESCROW HOLDER PURSUANT TO THE TERMS OF THIS AGREEMENT, TOGETHER WITH INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES, WHICH AMOUNT IS THE BEST ESTIMATE BY THE PARTIES OF THE DAMAGES SELLER WOULD SUFFER FROM SUCH BREACH, IT BEING AGREED THAT IT IS EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE AND IMPRACTICABLE, TO FIX THE EXACT AMOUNT OF DAMAGE WHICH WOULD BE INCURRED BY SELLER AS A RESULT OF SUCH DEFAULT BY BUYER. THEREUPON ESCROW SHALL BE CANCELLED AS PROVIDED ABOVE, ALL INSTRUMENTS SHALL BE RETURNED TO THE RESPECTIVE PARTIES WHO DEPOSITED SAME, THE PARTIES SHALL COMPLY WITH SECTION 10 BELOW AND BUYER SHALL PAY ALL TITLE AND ESCROW CANCELLATION CHARGES. _____

Buyer's Initials

Seller's Initials

10. Further Documents and Acts. Each of the parties hereto agrees to cooperate in good faith with each other, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. If this Agreement is terminated for any reason, Buyer shall return to Seller any studies, reports or other documents previously supplied to Buyer by Seller, and shall deliver to Seller without charge copies of any and all such documents which Buyer shall have obtained with respect to the Property at any time prior to such termination. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

11. Representations, Warranties and Covenants of Buyer.

(a) Defaults. Buyer represents and warrants that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in any breach of the terms of, conditions of, or constitute a default under, any instrument or obligation by which Buyer is bound, or violate any order, writ, injunction or decree of any court in any litigation to which Buyer is a party.

(b) Validity. Buyer represents and warrants the persons executing this Agreement and the documents at Closing on behalf of Buyer are and will be duly authorized so as to fully and legally bind Buyer.

(c) Survival. All the representations, warranties, covenants, agreements and indemnities of Buyer set forth herein and elsewhere in this Agreement shall be true upon the execution of this Agreement, and shall be deemed to be repeated at and as of Closing and shall survive Closing. Additionally, all indemnities by Buyer of Seller set forth in this Agreement shall survive the termination of this Agreement.

(d) Indemnity. Buyer hereby indemnifies and holds Seller harmless from any and all losses, damages, costs, liabilities and expenses, including, without limitation, reasonable attorneys' fees (and those fees incurred upon any appeals) incurred or suffered by Seller as a result of the breach by Buyer of any of the representations and warranties contained in this Agreement, the failure by Buyer to comply with any of the covenants contained in this Agreement or any other default by Buyer under the terms of this Agreement. Section 9(b) sets forth the damages which Seller is entitled to receive as a result of Buyer's failure to close Escrow and this Section 11(d) applies only to other breaches by Buyer. Section 9(b) only limits Seller's rights hereunder for Buyer's failure to close Escrow.

(e) Disclaimers. During the Due Diligence Period, Buyer is being given the opportunity to conduct such investigation of the Property as it sees fit, including without limitation, review of title to the Property as shown on, among other things, the Preliminary Report. Except as to any representations or warranties expressly set forth in this Agreement, Seller makes no representation or warranty whatsoever as to the condition or suitability of the Property. Buyer is relying solely upon its own inspection, investigation and analyses of the Property in purchasing the Property. AS AN ESSENTIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT, BUYER ACKNOWLEDGES, UNDERSTANDS, AGREES AND REPRESENTS AS OF THE EFFECTIVE DATE AND AS OF THE CLOSING DATE AS FOLLOWS:

(i) AS-IS, WHERE-IS. EXCEPT AS MAY BE OTHERWISE EXPRESSLY PROVIDED HEREIN, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS, WITH ALL FAULTS, AND SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER.

(ii) SOPHISTICATION OF BUYER. BUYER IS A SOPHISTICATED BUYER WHO IS FAMILIAR WITH THE OWNERSHIP AND OPERATION OF REAL ESTATE PROJECTS SIMILAR TO THE PROPERTY AND BUYER HAS HAD, AND PRIOR TO THE CLOSING WILL HAVE, ADEQUATE OPPORTUNITY TO COMPLETE ALL PHYSICAL, ENVIRONMENTAL, ENGINEERING, SOILS, ECONOMIC AND FINANCIAL EXAMINATIONS RELATING TO THE ACQUISITION OF THE PROPERTY HEREUNDER IT DEEMS NECESSARY, AND WILL ACQUIRE THE SAME SOLELY ON THE BASIS OF AND IN RELIANCE UPON SUCH EXAMINATIONS AND THE TITLE INSURANCE PROTECTION AFFORDED BY THE TITLE POLICY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, EXCEPT AS TO ANY REPRESENTATIONS OR WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT.

(iii) DUE DILIGENCE MATERIALS. ANY INFORMATION PROVIDED WITH RESPECT TO THE PROPERTY IS SOLELY FOR BUYER'S CONVENIENCE AND WAS OBTAINED FROM A VARIETY OF SOURCES. SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO (AND EXPRESSLY DISCLAIMS ALL) REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. SELLER SHALL NOT BE LIABLE FOR ANY MISTAKES, OMISSIONS, MISREPRESENTATIONS OR ANY FAILURE TO INVESTIGATE THE PROPERTY NOR SHALL SELLER BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL ASSESSMENT REPORTS, OR OTHER INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY SELLER, OR BY ANY OTHER PERSON.

(iv) BUYER'S RELEASE OF SELLER. BUYER REPRESENTS AND COVENANTS TO SELLER THAT BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY. UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS, AND BUYER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR

ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY, EXCEPT AS EXPRESSLY SET FORTH OTHERWISE IN THIS AGREEMENT.

IN CONNECTION THEREWITH, BUYER EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES THAT:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

INITIALS OF BUYER

12. Representations, Warranties and Covenants of Seller.

(a) Defaults. Seller represents and warrants that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in any breach of the terms of, conditions of, or constitute a default under, any instrument or obligation by which Seller is bound, or violate any order, writ, injunction or decree of any court in any litigation to which Seller is a party.

(b) Validity. Seller represents and warrants that it is a valid, legal and duly constituted limited liability company, organized and in good standing under the laws of the State of California, and the persons executing this Agreement and the documents at Closing on behalf of Seller are and will be duly authorized so as to fully and legally bind Seller.

(c) Survival. All the representations, warranties, covenants, agreements and indemnities of Seller set forth herein and elsewhere in this Agreement shall be true upon the execution of this Agreement, and shall be deemed to be repeated at and as of Closing and shall survive Closing. Additionally, all indemnities by Seller of Buyer set forth in this Agreement shall survive the termination of this Agreement.

(d) Indemnity. Subject to the limitations set forth in Section 9(a) above, Seller hereby indemnifies and holds Buyer harmless from any and all losses, damages, costs, liabilities and expenses, including, without limitation, reasonable attorneys' fees (and those fees incurred upon any appeals) incurred or suffered by Buyer as a result of the breach by Seller of any of the representations and warranties contained in this Agreement, the failure by Seller to comply with any of the covenants contained in this Agreement or any other default by Seller under the terms of this Agreement.

(e) Covenant to Maintain. From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller (i) shall use reasonable efforts to maintain the Property in a manner generally consistent with the manner in which Seller has maintained the Property prior to

the date hereof, and (ii) shall not affirmatively create any new exceptions to title without Buyer's prior written approval.

13. Casualty.

(a) Risk of Loss. In the event of loss or damage to the Property or any portion thereof which is not "Major" (as hereinafter defined), this Agreement shall remain in full force and effect provided that Seller shall, at Buyer's option, either (a) perform any necessary repairs, or (b) assign to Buyer all of Seller's right, title and interest in and to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question. If Buyer elects for Seller to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly, and the date of Closing shall be extended for a reasonable time to allow for the completion of such repairs. If Buyer elects for Seller to assign a casualty claim to Buyer, the Purchase Price shall not be reduced. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.

(b) Major Damage. Seller shall promptly notify Buyer of the occurrence of any "Major" loss or damage, which notice shall state the cost of repair or restoration thereof as opined by a qualified expert in accordance with Section 13(c). Buyer shall have the right, exercisable by giving written notice to Seller within ten (10) business days after receipt of Seller's written notice, to terminate this Agreement in which event the provisions of Section 6(h) shall apply. Unless Buyer gives written notice to Seller within such ten (10) business day period that Buyer elects to terminate this Agreement, Buyer shall be deemed to have elected not to terminate this Agreement and Seller shall at Buyer's option either (a) perform any necessary repairs, or (b) cause the Closing to occur promptly and assign to Buyer through Escrow all of Seller's right, title and interest in and to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question. If Buyer elects for Seller to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly, and the date of Closing shall be extended for a reasonable time in order to allow for the completion of such repairs. If Buyer elects for Seller to assign a casualty claim to Buyer, the Purchase Price shall not be reduced. Upon Closing, full risk of loss with respect to the Property shall pass to Buyer.

(c) Definition of "Major" Loss or Damage. For purposes of Sections 13(a) and (b), "Major" loss or damage refers to the following: (a) loss or damage to the Property such that the cost of repairing or restoring the premises in question to substantially the same condition which existed prior to the event of damage would be, in the opinion of a qualified expert selected by Seller and reasonably approved by Buyer, equal to or greater than ten percent (10%) of the Purchase Price, and (b) any loss due to a condemnation which permanently and materially impairs the proposed use of the Property. If Buyer does not give written notice to Seller of Buyer's reasons for disapproving a qualified expert within five (5) business days after receipt of notice of the proposed qualified expert, then Buyer shall be deemed to have approved the qualified expert selected by Seller.

14. Broker's Commission. Except for Eberle Company ("Seller's Broker"), to whom Seller shall pay through escrow a commission in the amount of two and one-half (2.5%) percent of the Purchase Price if the Closing occurs, and except for CBRE, Inc. ("Buyer's Broker"), to whom

Seller shall pay through escrow a commission in the amount of two and one-half (2.5%) percent of the Purchase Price if the Closing occurs, Seller represents and warrants to Buyer and Buyer represents and warrants to Seller that no broker or finder has been engaged by Seller or Buyer, respectively, in connection with any of the transactions contemplated by this Agreement, and that no broker or finder is in any way connected with any of such transactions. Except as expressly set forth above, in the event of any claim for broker's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement or the transactions contemplated hereby, Buyer shall indemnify, save harmless and defend Seller from and against such claim if it shall be based upon any statement or representation or agreement made by Buyer, and Seller shall indemnify, save harmless and defend Buyer from and against such claim if it shall be based upon any statement, representation or agreement made by Seller.

15. Waiver, Consent and Remedies. Each provision of this Agreement to be performed by either party shall be deemed both a covenant and a condition and shall be a material consideration for the other party's performance hereunder, and any breach thereof by either party shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party may pursue any one or more of its rights, options or remedies hereunder or may seek damages in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement; provided, however, that Buyer hereby waives its rights to seek specific performance or to record a lis pendens against the Property in the event of Seller's default hereunder and Buyer agrees that its right to sue for monetary damages is an appropriate and adequate remedy in the event of any default by Seller hereunder.

16. Attorneys' Fees. In the event of any action or proceeding instituted between Seller, Buyer and/or Escrow Holder in connection with this Agreement, then as between Buyer and Seller the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs, including, without limitation, court costs, and all costs of appeals. Reasonable attorneys' fees shall be calculated at the actual hourly rate charged by the prevailing party's attorney, or \$200 per hour, whichever is less.

17. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Seller: Foothill Muller, LLC
27422 Portola Parkway, Suite 300
Foothill Ranch, CA 92610
Attn: Deborah Hon

If to Buyer: Orange County Fire Authority
1 Fire Authority Way
Irvine, CA 92602
Attn: Lori Zeller _____

If to Escrow Holder: Western Resources Title
625 The City Drive, Suite 150
Orange, California 92868
Attn: Maricel Borrás

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

18. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

19. Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

20. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

21. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

22. Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

23. Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by both Buyer and Seller.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

25. Binding Agreement. Subject to the restrictions on assignment set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

26. Aircraft Environmental Impact Declaration. Pursuant to the conditions imposed by the County of Orange, Seller makes the following Declaration:

“We make this Declaration concerning aircraft environmental impact for the purpose and subject to the same conditions and limitations as shown in that certain notice concerning aircraft environmental impacts recorded December 1, 1983, as Document No. 83-549335 of Official Records of Orange County, California.

The land embraced by this tract map is subject to overflight, site and sound of aircraft operating from El Toro Marine Corps Air Station.”

27. Construction. The parties acknowledge that each party and its counsel have reviewed and approved this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

28. Seller has advised Buyer that Seller, or either of the same, may wish to affect an Exchange of Seller’s, or either of their, interest(s) in the Real Property, similarly pursuant to Section 1031 of the Internal Revenue Code. Buyer agrees to cooperate in such Exchange at no cost, expense or liability to Buyer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written and such date shall be deemed the date of this Agreement.

SELLER:

FOOTHILL MULLER, LLC, a California limited liability company

By: _____

Its: _____

By: _____

Its: _____

BUYER:

ORANGE COUNTY FIRE AUTHORITY

By: _____

Its: _____

By: _____

Its: _____

Escrow Holder hereby certifies that Escrow opened as of the ____ day of February, 2015 as Escrow Number _____.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____

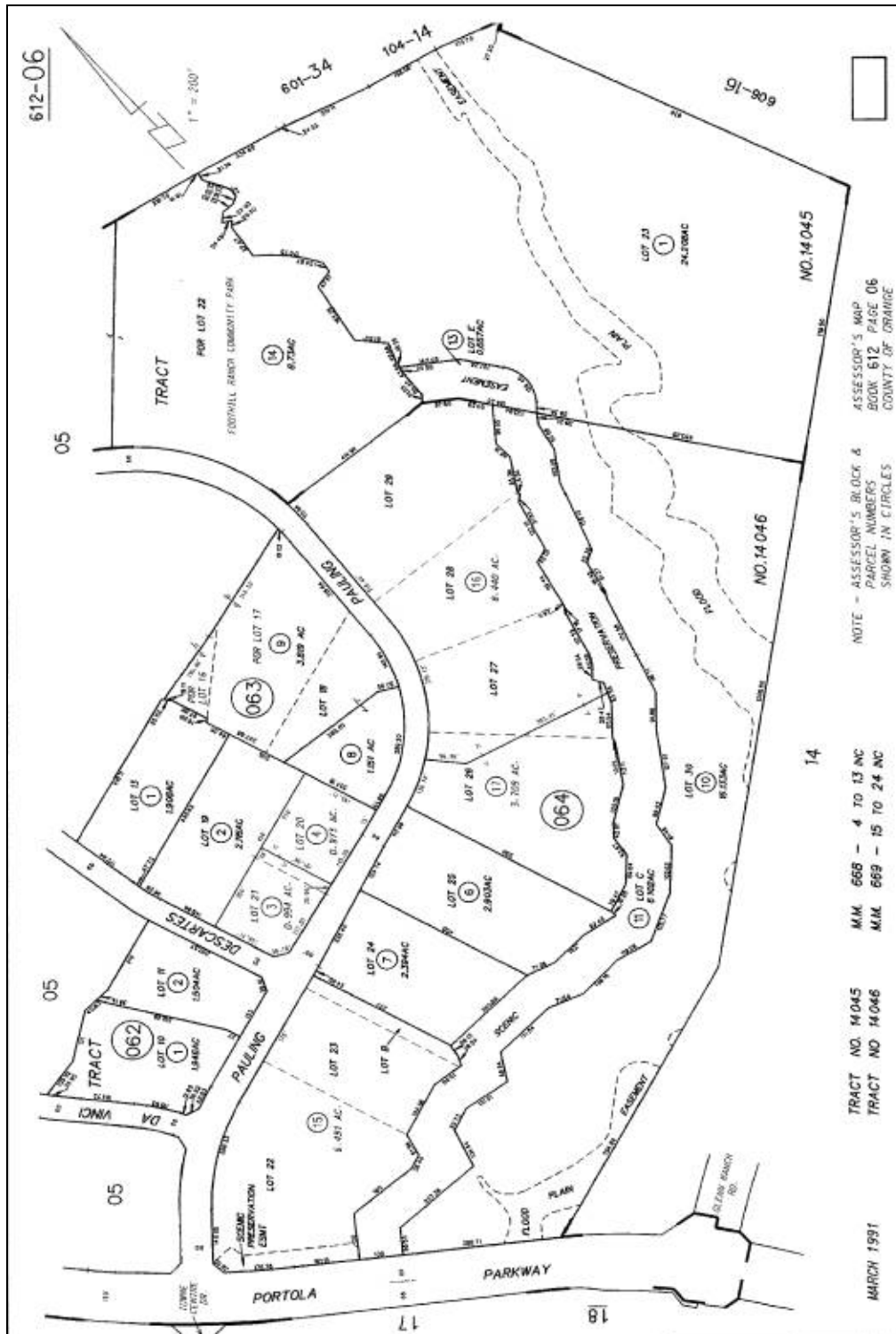
Its: _____

LIST OF EXHIBITS

EXHIBIT A	LAND
EXHIBIT B	ESCROW INSTRUCTIONS
EXHIBIT C	SELLER'S MANDATORY DISCLOSURE STATEMENT & PROPERTY INFORMATION SHEET
EXHIBIT D	GRANT DEED
EXHIBIT E	NOTICE OF SPECIAL TAX

EXHIBIT A TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

LAND



APN: 612-063-01

EXHIBIT B TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

ESCROW INSTRUCTIONS

The parties understand and acknowledge:

1. SPECIAL DISCLOSURES:

A. DEPOSIT OF FUNDS & DISBURSEMENTS

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. The Good Funds Law (California Insurance Code 12413.1) mandates that Escrow Holder may not disburse funds until the funds are, in fact, available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

B. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

C. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed, or fees charged, by third parties. The fees charged by Escrow Holder for services including, but not limited to, wire transfers, overnight delivery/courier services, recording fees, notary fees, etc. may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services which shall, in no event, exceed \$10 for each markup.

D. METHOD TO DELIVER PAYOFF TO LENDERS/LIENHOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lienholder in an expeditious manner as demanded by the lender/lienholder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party.

2. PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

4. REPORTS

As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed. Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title insurance policy(ies). Buyer will provide a completed Preliminary Change of Ownership Report form ("PCOR"). If Buyer fails to provide the PCOR, Escrow Holder shall close escrow and charge Buyer any additional fee incurred for recording the documents without the PCOR. Escrow Holder is released from any liability in connection with same.

7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Escrow Holder is released of any liability in connection with such adjustments. The first installment of California real property taxes is due November 1st (delinquent December 10th) and the second installment is due February 1st (delinquent April 10th). If a tax bill is not received from the County at least 30 days prior to the due date, buyer should contact the County Tax Collector's office and request one. Escrow Holder is not responsible for same.

9. CANCELLATION OF ESCROW

- (a) Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the funds held fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.
- (b) Notwithstanding the foregoing paragraph, Escrow Holder shall have the right to unilaterally terminate any escrow which is subject to the provisions of the Equity Purchaser Law (CA Civil Code Section 1695 et seq.) and may return all documents and funds without any consent by or notice to the buyer.

10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.

11. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

12. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

13. INSURANCE POLICIES

In all matters relating to insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

14. COPIES OF DOCUMENTS; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Holder, the originals of such documents shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded **MUST** contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

15. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

16. TAX REPORTING, WITHHOLDING & DISCLOSURE

The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting, and disclosure obligations. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. ***WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES.***

ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.

A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter referred to as the .TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing. Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

B. State Withholding & Reporting

Under California law (Rev & Tax Code §18662), a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) an amount equal to 3.33% of the sales price in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual, trust or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller; OR 2) a corporate seller that has no permanent place of business in California immediately after the transfer of title to the Real Property. Buyer may be subject to a penalty (equal to the greater of 10% of the amount required to be withheld or \$500) for failing to withhold and transmit the funds to FTB in the time required by law. Buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sales price of the Real Property does not exceed \$100,000; b) the seller executes a written certificate under penalty of perjury certifying that the seller is a corporation with a permanent place of business in California; OR c) the seller, who is an individual, trust, estate or a corporation without a permanent place of business in California, executes a written certificate under penalty of perjury certifying one of the following: (i) the Real Property was the seller's or decedent's principal residence (as defined in IRC §121); (ii) Real Property being conveyed was last used by the seller as sellers principal residence within the meaning of IRC §121 (even if the seller did not meet the two out of the last five years requirement or one of the special circumstances in IRC §121); (iii) the Real Property is or will be exchanged for property of like-kind (as defined in IRC §1031) and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC §1031; (iv) the Real Property has been compulsorily or involuntarily converted (as defined in IRC §1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC §1033; or (v) the Real Property sale will result in a loss (or net gain not required to be recognized) for California income tax purposes. Seller is subject to penalties for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding laws.

Contact FTB: For additional information regarding California withholding, contact the Franchise Tax Board at (toll free) 888-792-4900), by e-mail nrws@ftb.ca.gov; or visit their website at www.ftb.ca.gov.

C. FEDERAL WITHHOLDING & REPORTING

Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company; or a domestic corporation, partnership or limited liability company controlled by non-residents; or non-resident corporations, partnerships or limited liability companies.

D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.

EXHIBIT C

SELLER'S MANDATORY DISCLOSURE STATEMENT

&

PROPERTY INFORMATION SHEET

EXHIBIT D TO PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

RECORDING REQUESTED BY:

**WHEN RECORDED, MAIL THIS DEED AND,
MAIL TAX STATEMENTS TO:**

Attention:

_____ (Space Above Line for Recorder's Use Only)

Parcel No. _____

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:

DOCUMENTARY TRANSFER TAX IS \$ _____

_____ Computed on full value of property conveyed;

_____ Computed on full value less the value of liens or encumbrances thereon remaining at time of sale.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, FOOTHILL MULLER, LLC, a California limited liability company ("Grantor"), hereby GRANTS to ORANGE COUNTY FIRE AUTHORITY, a Joint Powers Authority ("Grantee"), all its right, title and interest in the following described real property (the "Property") in the County of Orange, State of California:

Lot 13 of Tract No. 14046, as shown on a map filed in Book 669, Pages 15 to 24 inclusive of Miscellaneous Maps, Records of Orange County, California.

SUBJECT TO:

1. Non-delinquent real property taxes and all unpaid general and special bonds or assessments.

2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way and easements of record as well as any such matters that are apparent.

IN WITNESS WHEREOF, the undersigned has executed this document as of the day and year indicated.

Dated: _____

FOOTHILL MULLER, LLC, a California limited liability company

By: _____

Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA) SS
COUNTY OF ORANGE)

On _____, 2015 before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

EXHIBIT E

NOTICE OF SPECIAL TAX

**COMMUNITY FACILITIES DISTRICT NO. 87-4
COUNTY OF ORANGE, CALIFORNIA**

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR ENTERING INTO A CONTRACT TO PURCHASE THIS PROPERTY. THE SELLER IS REQUIRED TO GIVE YOU THIS NOTICE AND TO OBTAIN A COPY SIGNED BY YOU TO INDICATE THAT YOU HAVE RECEIVED AND READ A COPY OF THIS NOTICE.

(1) This property is subject to a special tax, which is in addition to the regular property taxes and any other charges, fees, special taxes, and benefit assessments on the parcel. It is imposed on this property because it is a new development, and may not be imposed generally upon property outside of this new development. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property. **YOU SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.**

(2) Since this parcel is Developed Property, the maximum special tax which can be levied against this parcel to pay for public facilities and services during the 2014-2015 tax year is the greater of (a) \$0.514 per square foot of land (\$_____ assuming _____ acres of land) or (b) \$0.514 per square foot of improvements (\$17,409 assuming 33,870 square feet of buildings). This amount will increase by 3.5 percent per year after that. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid and may be levied forever thereafter to pay for ongoing service costs.

(3) The authorized facilities which are being paid for by the special taxes, and by the money received from the sale of bonds which are being repaid by the special taxes, are:

School facilities, a regional park, a fire station, a sheriff substation, a library, storm drains and the roadway improvements to be constructed as part of the Foothill Circulation Phasing Program, which roadway improvements include all related work for grading, paving, drainage, sewer and water facilities and utilities, together with improvements to intersections and other appurtenant work.

The facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

In addition, the special taxes may be used to pay for costs of the following services:

Police protection, fire protection, ambulance, paramedic, flood and storm protection, recreation program, library, park and open space services, including, but not limited to, the operation and maintenance of storm drains, parks and parkways.

YOU MAY OBTAIN A COPY OF THE RESOLUTION OF FORMATION WHICH AUTHORIZED CREATION OF THE COMMUNITY FACILITIES DISTRICT, AND WHICH SPECIFIES MORE PRECISELY HOW THE SPECIAL TAX IS APPORTIONED AND HOW THE PROCEEDS OF THE TAX WILL BE USED, FROM THE COUNTY OF ORANGE - COUNTY ADMINISTRATIVE OFFICE BY CALLING (714) 834-3055. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE REASONABLE COST OF PROVIDING THE DOCUMENT.

I (WE) ACKNOWLEDGE THAT I (WE) HAVE READ THIS NOTICE AND RECEIVED A COPY OF THIS NOTICE PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITH RESPECT TO THE ABOVE-REFERENCED PROPERTY. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT WITHIN THREE DAYS AFTER RECEIVING THIS NOTICE IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER, SUBDIVIDER, OR AGENT SELLING THE PROPERTY.

DATE: _____

ORANGE COUNTY FIRE AUTHORITY

By: _____
Its: _____

By: _____
Its: _____



ORANGE COUNTY FIRE AUTHORITY

SUPPLEMENTAL AGENDA

BOARD OF DIRECTORS REGULAR MEETING
Thursday, February 26, 2015
6:00 P.M.

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

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

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



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

The following item is added to the above stated agenda in the location noted below. This item is posted in conformance with the Brown Act and is to be considered as part of the regular agenda.

3. CONSENT CALENDAR

D. Blanket Order Contract Renewals – Service Center

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

Recommended Action:

Approve and authorize the Purchasing Manager to renew, increase and extend the blanket orders as recommended for LN Curtis & Sons, Compressed Air Specialties, and Allstar Fire Equipment contracts for up to three additional years.

E. Blanket Order Contract Renewal – Purchasing

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

Recommended Action:

Approve and authorize the Purchasing Manager to renew and extend the blanket order with Planet Bids for up to three additional years for a not to exceed aggregate amount of \$64,735.

F. Blanket Order Contract Increase and Renewal – Air Operations

Submitted by: Dave Thomas, Assistant Chief/Operations Department

Recommended Action:

Approve and authorize the Purchasing Manager to increase the blanket order for Jet-A fuel with Defense Finance and Accounting Services by \$60,000 and authorize staff to exercise up to three annual renewal options through January 9, 2018, at \$200,000 annually.

G. Blanket Order Contract Renewals – Property Management

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Action:

Approve and authorize the Purchasing Manager to renew and extend the blanket orders as recommended for Riddle Appliance, Fire Station Outfitters, and Mitsubishi Electric & Electronics USA contracts for up to three additional years.

H. Blanket Order Contract Increases and Renewals – Fleet Services

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Actions:

1. Approve and authorize the Purchasing Manager to increase the blanket order with Parkhouse Tire, Inc. by \$50,000 for a total not to exceed amount of \$308,700 annually and extend the contract for up to two additional years.
2. Approve and authorize the Purchasing Manager to renew the final blanket order contract renewal with Valley Power Systems in the amount not to exceed \$100,000.
3. Approve and authorize the Purchasing Manager to renew the blanket order contracts for Ford repair services and parts with Worthington Ford, Elite Automotive Services, and Tuttle Click Capistrano Ford for up to three additional years; and authorize the Purchasing Manager to redistribute or adjust funding between the three contracts as requested by the department so long as the aggregate amount does not exceed \$100,000 annually.

I. Sole Source Blanket Order Contract Renewals – Information Technology

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Actions:

1. Approve and authorize the Purchasing Manager to renew and adjust the sole source blanket order to extend the sole source contract with ESRI for three additional years for a not to exceed amount of \$75,000 annually.
2. Approve and authorize the Purchasing Manager to renew and adjust the sole source blanket order to extend the sole source contract with Deccan for up to three years at an initial cost of \$29,882 and subject to a one-time 7% increase for the contract year of May 1, 2016, through April 30, 2017.

3. Approve and authorize the Purchasing Manager to renew and adjust the sole source blanket order to extend the sole source contract with Hospital Association of Southern California to extend this sole source contract for three additional years for a not to exceed amount of \$3,910 annually.

J. Award of Bid RO1999 - Dell Network Storage Hardware

Submitted by: Mike Schroeder, Assistant Chief/Support Services Department

Recommended Action:

Approve and authorize the Purchasing Manager to issue a purchase order to Dell, Inc. in the amount of \$152,854.28 (including tax and shipping) for the purchase of network storage hardware.

K. Temporary Contract Extension Request – Security Guard Services for the Regional Fire Operations and Training Center

Submitted by: Jeremy Hammond, Human Resources Director

Recommended Action:

Approve and authorize the Purchasing Manager to extend the blanket order terms with Universal Protection Services (BO1283) for two additional months through June 30, 2015.

AFFIDAVIT OF POSTING

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Supplemental Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Training and Operations Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting. Dated this 20th day of February 2015.

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



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3D
Consent Calendar

Blanket Order Contract Renewals – Service Center

Contact(s) for Further Information

Lori Zeller, Assistant Chief Business Services Department	lorizeller@ocfa.org	714.573.6020
Debbie Casper, Purchasing Manager	debbiecasper@ocfa.org	714.573.6641

Summary

This agenda item seeks approval to renew blanket orders for various supplies and service contracts.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

Approve and authorize the Purchasing Manager to renew, increase and extend the blanket orders as recommended for LN Curtis & Sons, Compressed Air Specialties, and Allstar Fire Equipment contracts for up to three additional years.

Impact to Cities/County

Not Applicable

Fiscal Impact

Funding is included in the approved FY 2014/15 General Fund budget.

Background

For each of the blanket order contracts with the exception of LN Curtis and Compressed Air Specialties, the contracts were previously awarded based on the lowest priced responsive and responsible bids received. At the time of contract awards, Executive Committee approval was not required by the purchasing rules that were in place; however, subsequent changes in the Roles and Responsibilities Matrix resulted in the need to bring these contracts forward for Executive Committee approval of the renewal options (Attachment).

L.N. Curtis & Sons – manufacturer sole source

Hurst Jaws of Life, Inc. has provided a sole source letter that states that L.N. Curtis & Sons is the sole authorized and factory trained dealer certified by Hurst to sell, maintain and service Hurst equipment. Just recently staff has received additional clarification that when purchasing parts that there may be additional authorized repair facilities that could supply replacement parts. Based on this information staff is requesting to extend the current contract with L.N. Curtis & Sons for one year. The OCFA has continued to use Hurst Jaws of Life equipment on all 15 truck companies and the heavy rescue unit for the past 15 years. Staff is requesting approval to

extend this contract for one additional year for a not to exceed amount of \$33,000. This will provide the time required to issue a competitive solicitation.

Compressed Air Specialties – manufacturer sole source

The OCFA has seven air compressors that are used to fill air cylinder bottles with breathing air used by firefighters while performing structural firefighting duties. Two of the compressors are located at the Service Center, one is located at Station 75, and four additional units are located on four mobile “light and air” vehicles. Each of these compressors requires annual maintenance, testing, and any required repairs to ensure they are functioning properly. On February 4, 2014, bid RO1907 was issued soliciting bids for annual maintenance and repair of the Bauer Air Compressors owned by OCFA. On February 20, 2014, only one bid was received from Compressed Air Specialties. Included with the bid was a letter from Bauer Compressors, Inc. stating that Compressed Air Specialties is the only factory authorized sales and service distributor in Southern California. Based on the experience in the first year of the contract, staff is requesting approval to increase the blanket order by \$4,000 and to extend this sole source contract for three additional one-year periods for a not to exceed amount of \$15,000 annually.

Allstar Fire Equipment – Scott air pack (self-contained breathing apparatus) parts – Bid RO1918

The Service Center is responsible for providing preventative maintenance, flow testing and repairs to over 1,300 OCFA owned Scott air packs including those issued to the field and loaner equipment. This contract provides established pricing on repair parts for repairs that are done in-house by Service Center employees, which has proven to save service time and money. Allstar Fire Equipment offered the lowest responsive responsible bid for Scott air pack parts from the three bids received. As a result, a blanket order was issued to Allstar Fire Equipment in April 2014 for a not to exceed amount of \$100,000. Staff is requesting approval to extend this contract for three additional one-year periods for a not to exceed amount of \$100,000 annually.

Staff is recommending that the Executive Committee approve and authorize the purchasing manager to renew the blanket orders as recommended in this report.

[Attachment\(s\)](#)

Schedule of Blanket Orders with Proposed Renewals

**Orange County Fire Authority
Blanket Order Contracts – Service Center
Proposed Renewals**

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	Original BO Amount	New Annual Total
LN Curtis & Sons (sole source) <i>Parts and Repairs for Hurst “Jaws of Life” Equipment</i> B01330-3	<u>02/28/2015</u> 02/28/2016	\$ 33,000	\$ 33,000
Compressed Air Specialties (sole source) <i>Maintenance & Repair Breathing Air Fill Stations</i> B01494	<u>02/28/2015</u> 02/28/2016 02/28/2017 02/28/2018	\$ 11,000	\$ 15,000 \$ 15,000 \$ 15,000
Allstar Fire Equipment <i>Purchase of Air Pack Parts</i> B01503	<u>03/31/2015</u> 03/31/2016 03/31/2017 03/31/2018	\$ 100,000	\$ 100,000 \$ 100,000 \$ 100,000

While the contract dollar amount does not exceed the threshold requiring Executive Committee approval, staff felt it was prudent to request approval since the renewal would extend the term past three years.

The current pricing includes support for five user licenses for vendor and bid management services (\$12,577), the RFP evaluation management module (\$3,675), and the insurance certificate module (\$4,500). The pricing for vendor management/bid management and RFP evaluation pricing is subject to a five percent annual increase each year as provided in the chart below:

PB System™ Module *5% price increase per year	2015 -2016	2016 -2017	2017 -2018
Vendor Management & Bid Management (5 User Licenses)*	\$ 12,577.00	\$ 13,206.00	\$ 13,866.00
RFP Evaluation (Add-on)*	\$ 3,675.00	\$ 3,859.00	\$ 4,052.00
Insurance Certificate Management	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
Total	\$ 20,752.00	\$ 21,565.00	\$ 22,418.00
Aggregate Three-Year Total	\$64,735		

Based on the efficiencies and functionality provided by this contract staff is recommending that the Executive Committee approve and authorize the Purchasing Manager to renew the blanket order issued to Planet Bids for up to three years with a not to exceed aggregate amount of \$64,735.

Attachment(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3F
Consent Calendar

Blanket Order Contract Increase and Renewal – Air Operations

Contact(s) for Further Information

Dave Thomas, Assistant Chief davethomas@ocfa.org 714.573.6012
Operations Department

David Steffen, Division Chief davidsteffen@ocfa.org 714.527.0537
Division 7

Summary

This agenda item seeks approval to increase and extend the current blanket order for Jet-A helicopter fuel utilized by the OCFA Air Operations Program, pending research of alternative contract options.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

Approve and authorize the Purchasing Manager to increase the blanket order for Jet-A fuel with Defense Finance and Accounting Services by \$60,000 and authorize staff to exercise up to three annual renewal options through January 9, 2018, at \$200,000 annually.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2014/15 General Fund budget.

Background

The current blanket order for Jet-A helicopter fuel was approved by the Executive Committee on June 26, 2014, in the amount of \$140,000 annually. With the placement of two new Relief Crew Chiefs, we have increased flight hours associated with their training. The increased flight time has caused Air Operations to exceed previous annual cost estimates. Training the Relief Crew Chiefs is an important part of preparation for the upcoming fire season. With the anticipated recruitment of three Firefighter/Paramedic rescuers, it is likely that this trend will continue as new members are trained and the hours of operation are expanded. To keep up with this increased demand for fuel, staff recommends an increase in the blanket order for a not to exceed amount of \$200,000 annually.

This is an ongoing Federal contract in which OCFA is authorized to participate, and pricing is based on the Defense Logistics Agency's standard pricing model, which insulates military services from wide price swings. The 2015 fuel rate is locked in at \$3.70 per gallon.

While staff is currently requesting approval to exercise up to three annual renewal options for the Federal contract, we are also actively researching alternative contract options for Jet-A helicopter fuel that may provide better pricing. Options under research include participating in cooperative contracts with other agencies that provide services from Fullerton Airport, including the city of Anaheim or the California Highway Patrol. If we are successful in identifying more competitive pricing, we will return to the Executive Committee for approval of an alternative contract. We have confirmed our ability to discontinue ordering under the current Federal contract at any point in time.

Attachment(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3G
Consent Calendar

Blanket Order Contract Renewals – Property Management

Contact(s) for Further Information

Mike Schroeder, Assistant Chief Support Services Department	michaelschroeder@ocfa.org	714.573.6008
Steve Chambers, Property Manager	stevechambers@ocfa.org	714.573.6471

Summary

This agenda item seeks approval to renew blanket orders for various supplies and service contracts.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

Approve and authorize the Purchasing Manager to renew and extend the blanket orders as recommended for Riddle Appliance, Fire Station Outfitters, and Mitsubishi Electric & Electronics USA contracts for up to three additional years.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2014/15 budget.

Background

For each of the blanket order contracts with the exception of Mitsubishi Electric & Electronics USA, the contracts were previously awarded based on the lowest priced responsive and responsible bids received. At the time of contract awards, Executive Committee approval was not required by the Purchasing rules that were in place; however, subsequent changes in the Roles and Responsibilities Matrix resulted in the need to bring these contracts forward for Executive Committee approval of the renewal options (Attachment).

Mitsubishi Electric & Electronics USA – manufacturer sole source

Mitsubishi Electric provided a letter that stipulates Mitsubishi as the sole source of proprietary parts required to service, maintain and certify the elevators they manufactured and installed at the time of the Regional Fire Operations and Training Center (RFOTC) construction. The

OCFA has used Mitsubishi continuously for 11 years since the RFOTC was built. In 2005, the Fire Chief approved a sole source request as authorized by the purchasing rules in place at that time. In March 2014, purchasing staff requested better pricing from Mitsubishi for a five year contract. Mitsubishi agreed to a monthly reduction (\$166.83) that will result in savings of \$11,945.76 during the life of the contract. Staff is requesting approval to extend the current blanket order contract for the four remaining contract years through April 30, 2019, in the amount of \$13,500 annually for years two and three of the current contract and a three percent increase in each of the final two years.

Riddle Appliance – Maintenance & Repair of Appliances – Bid RO1924

Property Management provides maintenance, service and repair of appliance for all OCFA facilities. On March 27, 2014, bid RO1924 was issued soliciting bids for annual service and maintenance of appliances. Thirteen vendors registered to do business with OCFA and 250 external vendors were notified. On April 9, 2014, only one bid was received from Riddle Appliance. A blanket order contract for \$25,000 was issued to Riddle Appliance. This contract award was within management authority and did not require Executive Committee approval. The contract provides four additional one-year renewal options and provides for an annual increase not to exceed three percent. Staff is requesting approval to extend this contract for three additional one-year periods for a not to exceed amount of \$25,000 annually.

Fire Station Outfitters – Sentinel Recliners – Bid RO1929

Property Management is responsible for furnishing recliners to all the OCFA fire stations. On April 10, 2014, bid RO1929 was issued soliciting bids to establish an annual contract for the purchase of these chairs. Fire Station Outfitters offered the lowest responsive responsible bid for recliners from the three bids received. This contract provides fixed purchase price of \$675 per chair with no delivery fees and a five year warranty. As a result, a blanket order was issued to Fire Station Outfitters in April 2014 for a not to exceed amount of \$50,000. Staff is requesting approval to extend this contract for three additional one-year periods for a not to exceed amount of \$50,000 annually.

[Attachment\(s\)](#)

Schedule of Blanket Orders with Proposed Renewals

**Orange County Fire Authority
Blanket Order Contracts – Property Management
Proposed Renewals and Adjustments**

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	Original BO Amount	New Annual Total
Mitsubishi (sole source) <i>Maintenance, Repair & Certification Elevators</i> B01514	<u>04/30/2015</u> 04/30/2016 04/30/2017 04/30/2018 04/30/2019	\$ 13,500.00	\$ 13,500.00 \$ 13,500.00 \$ 13,905.00 \$ 14,322.12
Riddle Appliance <i>Maintenance & Repair of Appliances</i> B01507	<u>03/31/2015</u> 03/31/2016 03/31/2017 03/31/2018	\$ 25,000.00	\$ 25,000.00 \$ 25,000.00 \$ 25,000.00
Fire Station Outfitters <i>Sentinel Recliners</i> B01512	<u>03/31/2015</u> 03/31/2016 03/31/2017 03/31/2018	\$ 50,000.00	\$ 50,000.00 \$ 50,000.00 \$ 50,000.00



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3H
Consent Calendar

Blanket Order Contract Increases and Renewals – Fleet Services

Contact(s) for Further Information

Mike Schroeder, Assistant Chief
Support Services Department

mikeschoeder@ocfa.org

714.573.6008

Rick Oborny, Fleet Services Manager

rickoborny@ocfa.org

714.573.6651

Summary

This agenda item seeks approval to increase and renew the blanket orders for auto parts, tires, and fleet services contracts as referenced.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

1. Approve and authorize the Purchasing Manager to increase the blanket order with Parkhouse Tire, Inc. by \$50,000 for a total not to exceed amount of \$308,700 annually and extend the contract for up to two additional years.
2. Approve and authorize the Purchasing Manager to renew the final blanket order contract renewal with Valley Power Systems in the amount not to exceed \$100,000.
3. Approve and authorize the Purchasing Manager to renew the blanket order contracts for Ford repair services and parts with Worthington Ford, Elite Automotive Services, and Tuttle Click Capistrano Ford for up to three additional years; and authorize the Purchasing Manager to redistribute or adjust funding between the three contracts as requested by the department so long as the aggregate amount does not exceed \$100,000 annually.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2014/15 budget.

Background

For each of the blanket order contracts, the contracts were awarded based on a competitive solicitation. At the time of the contract awards, Executive Committee approval was not required by the purchasing rules that were in place; however, subsequent changes in the Roles and Responsibilities Matrix resulted in the need to bring these contracts forward for Executive Committee approval.

Fleet Services is responsible for the maintenance and repair of all vehicles and apparatus in the OCFA fleet. Ongoing repair and preventative maintenance keeps OCFA vehicles and apparatus functioning and performing at their best. The fleet section maintains contracts for the purchase of parts and repairs to assist beyond staff capacity.

Parkhouse Tire Inc.

Fleet services provides tires for 500 vehicles and apparatus, many of which accumulate up to 7,000 miles a quarter, requiring an extreme amount of preventative maintenance on the tires. As part of OCFA's ongoing repair and preventative maintenance plan, tires are inspected daily by the crews and operators, and are repaired or replaced as needed. In an effort to eliminate any possible catastrophic tire failure, Fleet Services also removes and replaces all tires which have been in service for seven years, regardless of mileage. This year's increase in expenditure can be attributed to the 16 E-One Engines that were put into service in 2008 whose tires have reached the 7 year life span and require tire replacement. In addition, several tires from USAR tractors and trailers also required tire replacement this year.

On March 1, 2012, Fleet Services began utilizing the Western States Contracting Alliance (WSCA) co-operative contract with Parkhouse Tire Inc. for tires, tubes and services. This contract was established through a competitive Request for Proposal (RFP) issued by the State of Utah. Staff is requesting approval to extend this contract for two additional one-year periods for a not to exceed amount of \$308,700 annually.

Valley Power Systems

On December 9, 2010, Bid MP1749 was issued for repair services and parts for fire apparatus with Detroit Diesel engines. Valley Power Systems was the only bidder that responded. The initial contract term was one-year with four additional one-year renewals. Staff is requesting approval to exercise the final remaining renewal year for a not to exceed amount of \$100,000.

Ford Service Repairs and Parts – Bid RO1912

Currently there are 120 Ford vehicles in the OCFA fleet that require service maintenance and repair. These vehicles include sedans, light duty trucks, sport utility vehicles, vans, and heavy duty trucks. On February 20, 2014, Bid RO1912 was issued to establish multiple annual contracts for as needed diagnostic testing, vehicle maintenance, and repair services for Ford vehicles. The bid was sent to 93 registered vendors and on March 6, 2014, the bid due date, four bids were received.

Based on the bid results, three separate blanket order contracts were awarded to the lowest responsive and responsible bidders (Worthington Ford, Elite Automotive Services, and Tuttle Click Capistrano Ford). For the prior year, each blanket order was issued at \$100,000 per vendor; however, with this renewal request, staff is requesting lesser amounts to be awarded to each vendor, for an aggregate total of \$100,000 combined for all three vendors. Awarding multiple contracts allows the department flexibility of utilizing the vendor that offers immediate availability to perform the requested service.

Attachment(s)

Schedule of Blanket Orders with Proposed Renewals

**Orange County Fire Authority
Blanket Order Contracts – Fleet Services
Proposed Renewals**

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	Original BO Amount	New Annual Total
Parkhouse Tire Inc <i>Tires, tubes and related services</i> B01190-5	<u>03/31/2015</u> 03/31/2016 03/31/2017	\$ 258,700.00	\$ 308,700.00 \$ 308,700.00 \$ 308,700.00
Valley Power Systems <i>Service repairs and parts for Detroit Diesel engines</i> B01326-3	<u>02/28/2015</u> 02/29/2016	\$ 100,000.00	\$ 100,000.00
Worthington Ford* <i>As-needed Maintenance, Service, Repair, and Parts for Light Duty Ford Vehicles</i> B01497	<u>03/31/2015</u> 03/31/2016 03/31/2017 03/31/2018	\$ 100,000.00	\$ 60,000.00
Elite Automotive Services* <i>As-needed Maintenance, Service, Repair, and Parts for Light Duty Ford Vehicles</i> B01499	<u>03/31/2015</u> 03/31/2016 03/31/2017 03/31/2018	\$ 100,000.00	\$ 20,000.00
Tuttle Click Capistrano Ford* <i>As-needed Maintenance, Service, Repair, and Parts for Light Duty Ford Vehicles</i> B01500	<u>03/31/2015</u> 03/31/2016 03/31/2017 03/31/2018	\$ 100,000.00	\$ 20,000.00

*Based on expenditures during the first year of the Ford vehicle maintenance contracts, staff is recommending a total aggregate amount not to exceed \$100,000 annually for all three contracts with the option to adjust the contract amounts with the aggregate annual amount of the three contracts limited to \$100,000.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3I
Consent Calendar

Sole Source Blanket Order Contract Renewals – Information Technology

Contact(s) for Further Information

Mike Schroeder, Assistant Chief
Support Services Department

mikeschroeder@ocfa.org

714.573.6008

Joel Brodowski, IT Manager

joelbrodowski@ocfa.org

714.573.6421

Summary

This agenda item seeks approval to renew and adjust sole source blanket orders for software license and maintenance fees for Geographic Information Systems (GIS) programs, the Fire Apparatus move up recommendation application, and the Hospital divert status system.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent calendar item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

1. Approve and authorize the Purchasing Manager to renew and adjust the sole source blanket order to extend the sole source contract with ESRI for three additional years for a not to exceed amount of \$75,000 annually.
2. Approve and authorize the Purchasing Manager to renew and adjust the sole source blanket order to extend the sole source contract with Deccan for up to three years at an initial cost of \$29,882 and subject to a one-time 7% increase for the contract year of May 1, 2016, through April 30, 2017.
3. Approve and authorize the Purchasing Manager to renew and adjust the sole source blanket order to extend the sole source contract with Hospital Association of Southern California to extend this sole source contract for three additional years for a not to exceed amount of \$3,910 annually.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2014/15 General Fund budget.

Background

For each of the blanket orders included in this report, services can only be provided by the listed company and are in compliance with sole source requirements of the OCFA Purchasing Ordinance. Contract dates and values and other information regarding the purpose of each contract are listed below.

ESRI – ESRI, as the owner and manufacturer, is the sole source for the software and maintenance used by OCFA GIS staff. This software is utilized to create and manipulate geospatial data into mapping products, geo-data used by the TriTech CAD system, and geospatial applications used by OCFA staff. This sole source contract was approved by Executive Committee on May 27, 2010, in the amount of \$75,000 for up to five years. Staff is requesting approval to extend this sole source contract for three additional years for a not to exceed amount of \$75,000 annually.

Deccan – On April 23, 2009, the OCFA Board of Directors approved a grant-funded contract with Deccan International to implement its Live Move-Up Module (LiveMUM) in the amount of \$172,895 funded by the State Homeland Security Grant Program (SHSGP). LiveMUM is a sole source software application that is used by the dispatch center to interface with CAD data and predict efficient move up recommendations for OCFA apparatus and fire stations based on pre-set criteria. Deccan International is the owner and manufacturer of LiveMUM and is the sole source provider for this software. The annual maintenance for this software is subject to a one-time 7% increase for the contract year of May 1, 2016, through April 30, 2017 as provided in the Attachment. Staff is requesting approval to extend this sole source contract for up to three years.

Hospital Association of Southern California - ReddiNet is a dedicated emergency medical communications network that facilitates information exchange among hospitals, EMS agencies, paramedics, and dispatch centers including OCFA. Critical information including divert status is provided to OCFA emergency personnel for transporting patients. The increased cost of the renewal of this contract is for adding a new interface to the OCFA's TriTech CAD system. This sole source contract was within management authority under the prior purchasing rules and has not been approved by the Executive Committee in the past. Staff is requesting approval to increase and extend this sole source contract for three additional years for a not to exceed amount of \$3,910 annually.

Attachment(s)

Schedule of Blanket Orders with Proposed Renewals

**Orange County Fire Authority
Sole Source Blanket Order Contracts – IT
Proposed Renewals**

Vendors & Blanket Orders	Contract End Dates for Annual Renewal Options	Original BO Amount	New Annual Total
ESRI (sole source) <i>GIS Software licensing, maintenance, professional svcs.</i> B01291-3	<u>02/14/2015</u> 02/14/2016 02/14/2017 02/14/2018	\$ 75,000	\$ 75,000 \$ 75,000 \$ 75,000
Deccan International (sole source) <i>Annual Maintenance “LiveMUM” move-up software</i> B01411-2	<u>04/30/2015</u> 04/30/2016 04/30/2017 04/30/2018	\$ 29,882	\$ 29,882 \$ 32,017 \$ 32,017
Hospital Assoc. of Southern California (sole source) <i>Reddinet System Maintenance</i> B01043-7	<u>02/28/2015</u> 02/28/2016 02/28/2017 02/28/2018	\$ 2,875	\$ 3,910 \$ 3,910 \$ 3,910



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3J
Consent Calendar

Award of Bid RO1999 - Dell Network Storage Hardware

Contact(s) for Further Information

Mike Schroeder, Assistant Chief
Support Services Department

mikeschroeder@ocfa.org

714.573.6008

Joel Brodowski, IT Manager

joelbrodowski@ocfa.org

714.573.6421

Summary

This agenda item is submitted for approval of the purchase of Dell network storage hardware from Dell, Inc., the lowest responsive responsible bidder, in the amount of \$152,854.28.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent calendar item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

Approve and authorize the Purchasing Manager to issue a purchase order to Dell, Inc. in the amount of \$152,854.28 (including tax and shipping) for the purchase of network storage hardware.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY2014/15 Capital Improvement Project Fund 124 budget.

Background

The OCFA utilizes a high-capacity, fault tolerant, Storage Area Network (SAN) system for storing network accessible computer data for all OCFA departments, archiving the 9-1-1 voice recording system, database storage for the OCFA HRMS Banner system, and data backup storage for the OCFA's virtualized server environment. The current Hewlett Packard system was installed in 2005, is approaching its end of life, and will no longer be supported. It has been planned to be replaced and upgraded in the current fiscal year. On January 13, 2015, an Invitation for Bid (IFB) was issued and 354 vendors were notified. On January 28, 2015, bids were received from Dell, Inc. and Aprisa. Dell, Inc. offered the lowest pricing for the hardware and was 70% lower than the bid received from Aprisa.

Attachment(s)

None.



Orange County Fire Authority
AGENDA STAFF REPORT

Board of Directors Meeting
February 26, 2015

Agenda Item No. 3K
Consent Calendar

**Temporary Contract Extension Request – Security Guard Services for the
Regional Fire Operations and Training Center**

Contact(s) for Further Information

Jeremy Hammond, Director Human Resources Department	jeremyhammond@ocfa.org	714.573.6018
Jonathan Wilby, Risk Manager	jonathanwilby@ocfa.org	714.573.6832

Summary

This agenda item seeks approval to extend the current contract with Universal Protection Services for an additional two months to provide sufficient time to conduct a request for proposal (RFP) and, depending upon the results of the RFP, to transition services to a new contract.

Prior Board/Committee Action

This item was scheduled for consideration by the Executive Committee at its February 19, 2015, meeting as a consent calendar item; however, due to the adjournment of the meeting due to a lack of quorum no action was taken. Due to time sensitivity, this item has been added to the Board's agenda as a supplemental agenda item.

Recommended Action(s)

Approve and authorize the Purchasing Manager to extend the blanket order terms with Universal Protection Services (BO1283) for two additional months through June 30, 2015.

Impact to Cities/County

Not Applicable.

Fiscal Impact

Funding is included in the approved FY 2014/15 budget.

Background

In May 2010, OCFA entered into an agreement with Shield Security, Inc. to provide 24-hour site security for the Regional Fire Operations and Training Center (RFOTC). Shield Security, Inc. was purchased by Universal Protection Services during this contract.

The security guard service was established following an RFOTC Security Vulnerability Assessment conducted by security consultants Secure Strategies International, LLC. The security consultants recommended that security guard services cover 24-hours, 7 days a week, which the OCFA implemented and has maintained to date.

The current provider agreement ends April 30, 2015, and OCFA is preparing to release a Request for Proposal for future security guard services. Staff is requesting to extend the contract for two months for a not to exceed amount of \$21,955 which ensures continuity of services during the RFP process.

Attachment(s)

None.