



# ORANGE COUNTY FIRE AUTHORITY

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Brian Fennessy, Fire Chief

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[www.ocfa.org](http://www.ocfa.org)

February 26, 2019

City of Placentia  
Proposal for Fire Protection Services  
9-1-1/ALS Request for Proposals  
401 E. Chapman Avenue  
Placentia, CA 92870

Greetings:

***RE: City of Placentia - Proposals for Fire & Emergency Medical Services***

The Orange County Fire Authority (OCFA) has carefully considered the City's Request for Proposals for 9-1-1 Advanced Life Support Emergency Medical Services, RFP 2018-01 and Request for Proposals for Fire Protection Services, RFP 2018-02, both dated December 20, 2018 (collectively, the "RFPs").

As you know, the OCFA is a regional fire and emergency medical services provider, governed by the Amended Joint Powers Authority Agreement (JPA) and Board-established policies. Pursuant to the JPA, the OCFA has entered into Fire & Emergency Medical Services Agreements with each of its member agencies committing that "The level of service provided shall be the same as the general level of similar services provided by OCFA elsewhere within its boundaries." In reviewing the City of Placentia's RFP specifications, we found that several of the requirements in the RFPs conflict with the OCFA's JPA, Fire & Emergency Medical Services Agreements, and Board-established policies (see Attachment 1 for examples). As a result, we must respectfully decline to submit proposals specific to both RFPs.

As an alternative to the form of services suggested by the City in its RFPs, I would be pleased to propose and recommend that the OCFA Board of Directors reinstate the City of Placentia as a full member agency, with all the protections and services that accompany OCFA membership under the terms of the OCFA's JPA and Fire & Emergency Medical Services Agreements, including but not limited to voting representation on the OCFA Board. Should the City pursue our proposal to remain a member of the Fire Authority, the City could benefit from continued high-caliber and comprehensive fire and emergency medical services. Placentia has enjoyed the professional and regional services provided by OCFA for the past 39 years, starting its contractual partnership with the Orange County Fire Department in May 1980 (prior to formation of the OCFA as a successor agency). Details relating to OCFA's services to Placentia, along with the cost-benefits the City currently enjoys by being in partnership with the OCFA, are provided in Attachment 2.

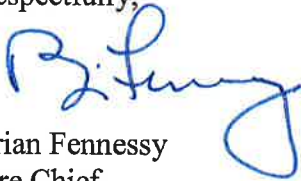
Serving the Cities of: Aliso Viejo • Buena Park • Cypress • Dana Point • Irvine • Laguna Hills • Laguna Niguel • Laguna Woods • Lake Forest • La Palma  
Los Alamitos • Mission Viejo • Placentia • Rancho Santa Margarita • San Clemente • San Juan Capistrano • Santa Ana • Seal Beach • Stanton • Tustin • Villa Park  
Westminster • Yorba Linda • and Unincorporated Areas of Orange County

**RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES**

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The OCFA stands ready to serve the City of Placentia, with professionalism and seamless continuity of services, should the City conclude that its fire and emergency medical services are best fulfilled by the Orange County Fire Authority. If you have any questions, please contact me at (714) 573-6010.

Respectfully,

A handwritten signature in blue ink, appearing to read "B. Fennessy", written over the typed name.

Brian Fennessy  
Fire Chief

**Attachments**

cc: OCFA Board of Directors  
OCFA Executive Management  
David Kendig, OCFA General Counsel

## Attachment 1

### **Orange County Fire Authority Placentia RFP Specifications & OCFA JPA Requirements**

Several of the requirements in the City of Placentia's RFPs are inconsistent with the OCFA's Amended Joint Powers Authority Agreement and Board-established policies as detailed below:

1. The following examples reference the Fire Services RFP:
  - a. Page 22: The proposal must provide for "the professional management and operational control of the fire department following the level of service and policies established by the City." Individual authority for cities to direct Fire Authority policies or level of service is inconsistent with:
    - i. The OCFA JPA Agreement, that vests in the OCFA Board the policy decision authority; and
    - ii. The Fire Services and Emergency Medical Services Agreement OCFA has entered with each of its member agencies committing that "The level of service provided shall be the same as the general level of similar services provided by OCFA elsewhere within its boundaries," and
    - iii. The OCFA policy that the Fire Chief and Authority Management develop and implement the OCFA level of service, and the full Board approves the OCFA level of service. (OCFA Board Resolution 2017-02, approving "Roles/Responsibilities/ Authorities" matrix, p. 1 of 9.)
  - b. Page 23 – Designation of the Bradford Fire Station as a "Must cover" station requiring a cover engine to be dispatched to the station or off-duty personnel to be called back to cover the station, or volunteers to be activated, "any time the staffed apparatus is committed to an emergency or activity." This is inconsistent with the level of service provisions identified above, which vest such control in the OCFA Board and Chief, not individual cities.
  - c. Page 24 – "The City's fire protection service provider will not be a first responder to medical emergencies." This is inconsistent with the Fire Services and Emergency Medical Services Agreement OCFA has entered with each of its member agencies committing that OCFA "shall provide ... emergency medical, rescue and related services". (Agreement, §3 (a).) As a regional service provider committed to each of its agencies to deliver the same general level of service to all of its members, such a gap in emergency medical services could indirectly have adverse effects on the OCFA's commitments to neighboring city members.
  - d. Page 27: "At no time shall the Proposer's existing work rules or memorandums of understanding with its employees impede the Proposer's ability to deliver the services in the manner and cost structure required by the City and as determined by the City." This section is inconsistent with MOUs between OCFA and its labor associations. Furthermore, it is inconsistent with the JPA Agreement to the extent it:
    - i. purports to limit the OCFA Board's authority to "determine compensation and working conditions and negotiate contracts with employees and employee organizations." (Amended JPA Agreement, § 4.D.) Or
    - ii. is inconsistent with the service charge provisions (including the provisions regarding changes in services charges and cap on annual increases). (Amended JPA Agreement, Art. IV, §§ 3.B., 3.E., 3.F.)

## Attachment 1

### **Orange County Fire Authority Placentia RFP Specifications & OCFA JPA Requirements**

- e. Page 27: “Proposers shall also offer in their proposals recommended criteria for the establishment of financial penalties when service delivery criteria are not being met.” As summarized above, service levels are determined by, and subject to adjustment at the discretion of, the Board, not individual members.
  - f. Page 28: The annual cost proposal “shall be a fixed amount for the first three (3) years...” and capped thereafter based on a local CPI. The OCFA Amended JPA Agreement contains binding provisions about the determination of service cost increases, caps, and spreading amounts that exceed those caps over a number of years. Fixing the costs for three years for one member would be inconsistent with the agreed-upon service-charge provisions by which all other OCFA members are governed.
  - g. Page 29: “All such initial service fee schedules and any future adjustments to such fees, shall be contingent on formal approval and act of the [Placentia] City Council.” Requiring approval of fees (other than paramedic or ambulance fees) by an individual member agency’s City Council is inconsistent with the grant of authority to the OCFA and its Board to “levy and collect payments and fees for services, provided that paramedic or ambulance user fees shall be approved by the member(s) affected.” (Amended JPA Agreement, Art. I, § 4.N.)
2. The following example references the RFP for Emergency Medical Services:
- a. Page 16: Section 9, titled “City’s intent for a Zero City-Subsidy EMS Service Model” indicates that “the City has incorporated several revenue generating models into this RFP with the intent to mitigate or minimize the need for the City’s 9-1-1 ALS service provider to receive an annual operating subsidy to fully fund the required operations performed by the service provider under a resultant agreement.” This section is inconsistent with the Amended JPA Agreement terms discussed above.

Attachment 2

ORANGE COUNTY FIRE AUTHORITY

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Summary of Services & Partnership  
City of Placentia

February 26, 2019

The OCFA provides comprehensive services to the City of Placentia, which extend well beyond the basic frontline staffing of stations. We are proud of our partnership with Placentia and remain ready to assist the City with specialty needs, upon request. Details of our comprehensive services are provided below.

**Primary OCFA Stations Serving the City of Placentia**

The City of Placentia receives regional fire and emergency services from all OCFA stations and resources; however, the primary stations routinely serving the City include two stations within city jurisdictional boundaries (Stations 34 and 35).

The OCFA calculates staffing costs per truck or engine in an all-inclusive manner. Calculated costs include all elements required to provide comprehensive fire services, including salary, employee benefits, services, supplies, operational support, and administrative overhead. Since the City already enjoys its partnership with the OCFA, there are no start-up costs to be incurred by the City remaining a member with OCFA. The costing methodology (termed "Truck & Engine Company Costs") includes the following components:

- **Direct Labor** – Includes direct salary and benefit costs for frontline positions, which include captains, engineers, and firefighters assigned in the City.
- **Direct Support** – Includes a proportional share of salary and benefit costs associated with direct operational support. Examples of direct operational support include Dispatchers, Battalion Chiefs, Division Chiefs, Training and EMS personnel.
- **Services & Supplies** – Includes a proportional share of costs for services and supplies such as uniforms, turnout gear, hoses, foam, and breathing apparatus.
- **Overhead/Indirect Support** – Includes a proportional share of salary, benefits, services and supplies associated with indirect administrative support, such as Human Resources, Purchasing, Finance, and Information Technology.
- **Station Maintenance** – Includes funding to make minor improvements to stations per year, with a goal of reducing long-term capital costs for the City through proactive maintenance.
- **Vehicle Depreciation/Replacement** – Includes funding for annual depreciation of emergency apparatus assigned within the City. *These emergency vehicles are replaced by OCFA whenever needed, based on mileage and useful life, without regard to how much funding has been received from the City through the annual contract charge. To date, costs incurred by the OCFA for emergency apparatus serving the City have exceeded payments that OCFA has collected from the City by \$832,310.*

Below are details for the primary stations and staffing serving Placentia, along with Truck and Engine Cost allocations for these resources, compared to the current contract price being charged to the City.

**Fire Stations and Frontline Staffing**

Below is the current staffing being provided to the City of Placentia, which includes two paramedic engines and one truck. During FY 2016/17 and 2017/18, the price charged to the City was reduced (per agreement with the City) based on a future planned movement of the truck to Yorba Linda. The future movement of the truck is dependent upon OCFA locating a site to build a new/replacement Fire Station #10 in Yorba Linda which can accommodate the truck. Site selection remains underway, and as a result, the City of Placentia is receiving the benefit of the truck being located within city boundaries, without inclusion of the cost in the city's service charge. Responsibility to make this change happen is wholly upon OCFA, but in the meantime, Placentia is benefitting. If Placentia were a new city coming to OCFA for a service proposal, below is the cost that would be quoted to the City, compared to the actual price that the City is paying.

Fire Station	Apparatus	FF	FF/PM	FAE	FC	FC/PM	Total Staff	Total Truck & Engine Costs, Station Maintenance, and Vehicle Replacement per Station
34	Truck	6		3	3		12	3,652,044
	Paramedic Engine	3	3	3		3	12	3,759,133
35	Paramedic Engine		6	3	3		12	3,759,133
<b>2 Stations</b>	<b>3 Apparatus</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>36</b>	<b>\$11,170,310</b>
<b>Contract Price Charged to Placentia</b>								<b>\$6,428,409</b>
<b>Annual Cost Savings to Placentia (funded by OCFA)</b>								<b>(\$4,741,901)</b>

Below is the same cost comparison, updated to reflect the future service configuration for the City once the truck is moved to Yorba Linda Fire Station #10.

Fire Station	Apparatus	FF	FF/PM	FAE	FC	FC/PM	Total Staff	Total Truck & Engine Costs, Station Maintenance, and Vehicle Replacement per Station
34	Paramedic Engine	3	3	3		3	12	3,759,133
35	Paramedic Engine		6	3	3		12	3,759,133
<b>2 Stations</b>	<b>2 Apparatus</b>	<b>3</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>24</b>	<b>\$7,518,266</b>
<b>Contract Price Charged to Placentia</b>								<b>\$6,428,409</b>
<b>Annual Cost Savings to Placentia (funded by OCFA)</b>								<b>(\$1,089,857)</b>

For higher-level management of the City's fire services and station personnel, an assigned Division Chief serves as the local Chief to the City. In addition, three Battalion Chiefs (one BC for each of three 24-hour shift schedules) provide daily management of station personnel and activities.

### **Premier Specialty Operations w/ Premier Staff**

The OCFA has premier specialty equipment, funded by regional property tax dollars with no charge to contract cities such as Placentia, yet these resources always remain available to serve all OCFA members when needed. The personnel assigned must maintain specialized certifications to enable them to operate the specialty equipment. Premier emergency response equipment and training within OCFA's regional system includes:

- Hazardous Material Response Team (HMRT)
- Heavy Rescue Vehicle
- Swift Water Rescue Team
- Urban Search and Rescue Trucks
- Water Tenders
- Special Event Paramedic Van
- Firefighting Foam Tender
- Mass Casualty Unit
- Bull Dozers
- Light and Air Units
- Designated Safety Officers

### **Community Risk Reduction (CRR) Services**

Community Risk Reduction is a full service fire prevention department that provides plan review, development review, annual inspections, special activities, state mandate inspections, community education (including school programs and drowning prevention) and handles citizen complaints. The City also has Planning and Development plans analyst liaison with the backing of eight additional plan reviewers. Our plan review turnaround times are a guaranteed 10 days or sooner, 90% of the time.

Per OCFA Board policy, the majority of CRR services are funded through cost recovery fees. Since CRR services are primarily directed to businesses, developers, architects, and contractors, the fees are charged to the business community and not to individual homeowners and residents. The CRR fees charged to the business community qualify as a business expense.

### **Additional Services Provided to the City of Placentia**

- Human Resources services including recruitment, testing, selection, employee records, labor negotiation, discipline, grievances, ADA compliance, OSHA, benefits management
- Compliance Training for FMLA, FLSA, Sexual Harassment and EEOC
- Risk Management & Worker's Compensation Management
- Information Technology management including emergency and administrative computer hardware and software systems
- Communications Equipment purchase, repair, maintenance
- Facility and Property Management/Maintenance
- Legislative Analyst & Lobbying Services
- Contract Administration
- Vehicle Purchasing and Maintenance
- Equipment and Supplies purchase, inventory management, repair and delivery
- Processing of subpoenas and information records requests
- Media Relations and trained Public Information Staff
- Full service Fire Investigations Section



- Emergency Dispatching
- Emergency response mapping (GIS, AVL)
- Paramedic continuing education services, including a Medical Director on staff
- Quality Assurance Programs
- Community Survey Programs
- Disaster Planning and Coordination
- Financial Management, Budgeting and Payroll

**Benefits of Partnership with OCFA**

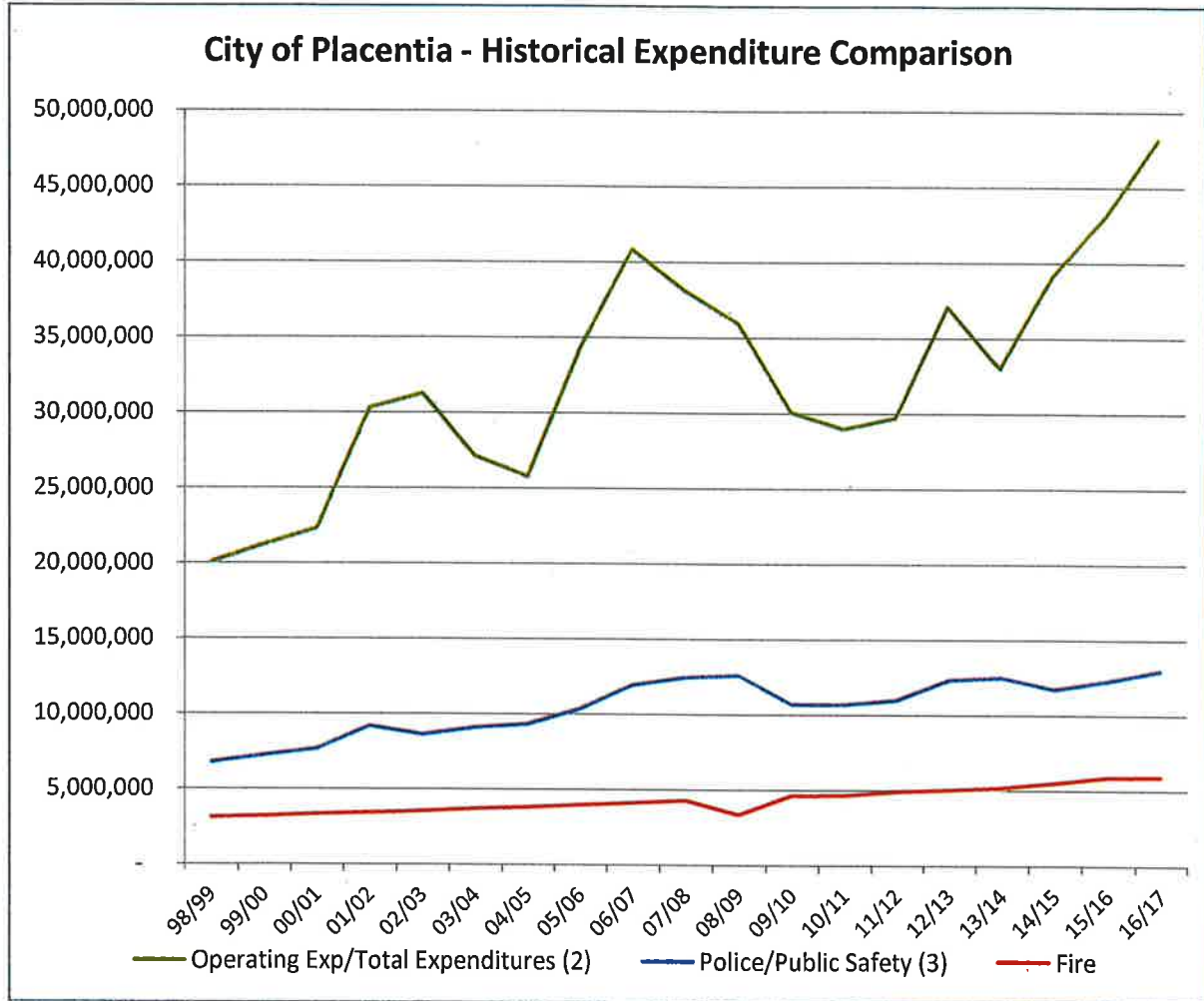
The Orange County Fire Authority enhances services to the citizens of Placentia and increases efficiencies within the City. OCFA's full service fire education, prevention and emergency response brings with it a full support network and eliminates the workload for other city departments that would otherwise require support. The support network includes Training/Safety and EMS Sections that provide in-house certifications and enhancement, skills maintenance, and 24/7 safety officer coverage during incidents. These support functions ensure that a high level of service is provided to our residents. Other service enhancements include our depth of resources, specialized resources, a dedicated fire prevention program, dedicated fire dispatchers, and a comprehensive public education program. These are standard in our regional system and are included in the contract price.

Additional benefits include:

- City Council Member on OCFA Board – participation in public policy decisions
- City Council Member on Executive Committee based on position or appointment
- City Council Member on Budget & Finance Committee by appointment
- City Manager participation on Technical Advisory Committee
- City Manager participation on City Manager Budget and Finance Committee (rotational)
- Cost Control – Contract increases are capped at 4.5% per year
- Active participation in Community Events
- Training and certification programs developed and presented in-house
- Paramedic nurse educators, training staff, and associated training facilities
- Dedicated Fire/EMS Emergency Dispatch including Emergency Medical Dispatch
- Risk Management program including the "WEFIT" health and wellness program to help reduce Workers Compensation Costs
- Central recruitment and hiring, personnel management, and benefit coordination
- Common Radio System within Orange County
- Response compatibility with other Orange County Fire Departments
- Active participation and coordination with all Orange County city fire agencies
- Alternate regional coordinator for OES Area 1

**Historical Expenditure Comparison**

The chart below provides an illustration of the historical expenditures for the City of Placentia from FY 1998/99 to FY 2016/17, based on the data that the City files each year with the State Controller. As illustrated, the cost for fire protection and emergency medical services (EMS) remains relatively constant throughout the years.



**Note:**

Data is from the City's Annual Reports filed with the State Controller's Office, Statement of Expenditures – data is currently only available thru FY 2016/17.

### History of Annual Increase

The following table show the 24-year average increase in Placentia's cash contract city charge, including annual catch-up payments that began in 2010/11 and which will no longer be included after FY 2019/20. Although the cap on annual increases is 4.5% *plus* catch-up payments, the actual experience shows that the average annual increase since formation of the OCFA has been 3.51%.

<b>Fiscal Year</b>	<b>% Increase</b>
1995-96	2.33%
1996-97	0.56%
1997-98	2.50%
1998-99	3.43%
1999-00	3.00%
2000-01	3.50%
2001-02	3.50%
2002-03	3.50%
2003-04	3.50%
2004-05	3.50%
2005-06	4.00%
2006-07	4.00%
2007-08	4.00%
2008-09	4.00%
2009-10	4.00%
2010-11	2.95%
2011-12	5.44%
2012-13	3.65%
2013-14	3.02%
2014-15	6.22%
2015-16	3.80%
2016-17	0.32%
2017-18	4.05%
2018-19	5.51%
<b>24-Yr. Avg.</b>	<b>3.51%</b>

### Cost Exposures Associated with a Change in Fire Service Structure

It may be helpful to the City to consider the costs the City might face in the event of a transition back to a City Fire Department (FD) structure or other fire service structure. While not an exhaustive list, the following are some key areas of consideration:

#### Ownership of Emergency Apparatus

Under the OCFA Amended Joint Powers Agreement (JPA) and Fire Services Agreement (FSA) with the City, OCFA owns the emergency apparatus and support vehicles serving the City. If Placentia were to withdraw from OCFA and return to a City FD structure or other fire service structure, the FSA calls for OCFA to perform an accounting of vehicle replacement contributions received from the City vs. the cost of funds spent by OCFA to maintain and replace vehicles serving the City. If that accounting shows an excess of contributions over costs, the amount will be refunded to the City;

however, OCFA will still own the vehicles. Prior to the 2010 JPA renewal, there were years in which Placentia (and other contract cities) were not paying contributions towards vehicle replacement, due to the structure of the cap on contract increases at the time. During those years, OCFA continued to replace and maintain vehicles assigned to Placentia, without regard to collection of vehicle contributions. As a result, costs incurred by the OCFA for emergency apparatus serving the City have exceeded payments that OCFA has collected from the City by \$832,310.

**Communications and Other Equipment**

OCFA owns all of the Communications and Information Technology equipment and systems installed in Placentia fire stations and vehicles, as well as all safety gear, firefighting equipment, rescue equipment, carried on the fire apparatus.

**Pension Obligations**

As a member of OCFA, the City benefits from the Fire Authority's Accelerated Pension Paydown Plan. This Plan was implemented in 2013, and in the five years since implementation, funding of OCFA's pension plan has improved from 65.00% to 78.67%. Voluntary dollars paid to reduce the unfunded pension liability have generated over \$18 million in savings during this five-year period. As a contract partner with OCFA, the City benefits from the interest savings that have been generated, as well as the benefits of a secure and well-funded pension plan for fire personnel. Furthermore, the City is able to avoid cost exposures that might otherwise be faced if its fire personnel were in PERS.