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## Loveland Fire Rescue Authority Board Meeting



**Station 2**  
**3070 W. 29<sup>th</sup> Street**  
**Community Room**  
**Loveland, Colorado 80537**  
**Wednesday, June 29, 2016**

**1:30 PM**

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**Loveland Fire Rescue Authority (LFRA) Board Meeting Agenda**  
**Station 2, 3070 W 29<sup>th</sup> Street**  
**Community Room**  
**Loveland, Colorado 80537**  
**Wednesday, June 29, 2016**  
**1:30 PM**

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*The Loveland Fire Rescue Authority (LFRA) is committed to providing an equal opportunity for services, programs and activities and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. LFRA contracts with the City of Loveland for assistance with translation, discrimination concerns, and Americans with Disabilities Act accommodations. Please contact the City of Loveland Title VI Coordinator at [TitleSix@cityofloveland.org](mailto:TitleSix@cityofloveland.org) or [970-962-2372](tel:970-962-2372) for translation services and discrimination concerns. LFRA will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act (ADA). For more information on ADA or accommodations, please contact the City of Loveland ADA Coordinator at [bettie.greenberg@cityofloveland.org](mailto:bettie.greenberg@cityofloveland.org) or [970-962-3319](tel:970-962-3319).*

*La Autoridad de Rescate de Incendios de Loveland (LFRA, por sus iniciales en inglés) se compromete a proveer oportunidades equitativas para servicios, programas, y actividades, y no discrimina basándose en discapacidades, raza, edad, color, origen nacional, religión, orientación sexual, o género. La LFRA tiene contratos con la Ciudad de Loveland para recibir asistencia para traducciones, en caso de preocupaciones de discriminación, y de acomodaciones de la Ley de Americanos con Discapacidades. Por favor comuníquese con el Coordinador del Título VI de la Ciudad de Loveland en [TitleSix@cityofloveland.org](mailto:TitleSix@cityofloveland.org) o al [970-962-2372](tel:970-962-2372) si necesita servicios de traducción o tiene preocupaciones de discriminación. La LFRA organizará acomodaciones razonables para ciudadanos de acuerdo con la Ley de Americanos con Discapacidades (ADA, por sus iniciales en inglés). Si desea más información acerca de la ADA o acerca de las acomodaciones, por favor comuníquese con la Coordinadora de la Ciudad de Loveland en [bettie.greenberg@cityofloveland.org](mailto:bettie.greenberg@cityofloveland.org) o al [970-962-3319](tel:970-962-3319).*

Wireless access: COLGuest, accesswifi

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**AWARDS AND PRESENTATIONS**

**PUBLIC COMMENT**

**CONSENT AGENDA**

*Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Board acts upon it.*

*Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.*

*Anyone making a comment during any portion of today's meeting should come forward state your name and address for the record before being recognized by the Chair. Please do not interrupt other speakers. Side conversations should be moved outside the meeting room. Please limit your comments to no more than five minutes.*



Loveland Fire Rescue Authority (LFRA) Board Meeting Agenda  
 Station 2, 3070 W 29<sup>th</sup> Street  
 Community Room  
 Loveland, Colorado 80537  
 Wednesday, June 29, 2016  
 1:30 PM

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1. Consider a Motion to Approve the Minutes from the Loveland Fire Rescue Authority Board for the May 25, 2016 Regular Board Meeting.
2. Consider Administrative Regulation Updates:
  - a. Gifts
  - b. Business Meals and Food
  - c. Travel
  - d. Purchasing
  - e. Capital Fixed Assets
  - f. Firearms in the Workplace
3. Consider Fee Waivers for Bent Tree Church and Silverleaf II Apartments
4. Consider an Supplemental Appropriation for Grant Awards

**End of Consent Agenda**

**REGULAR AGENDA**

*Anyone who wishes to address the Board on any item on this part of the agenda may do so when the Chair calls for public comment. All public hearings are conducted in accordance with Board By-Laws. When Board is considering approval, the Authority's By-laws only requires that a majority of the Board quorum be present to vote in favor of the item.*

5. Discuss a Proposal to be Included in the 2017 Budget Process Relative to the Conversion of Part-time Firefighters to Full Time Firefighters
6. Review New Drafts of the Facilities Leases and Omnibus Bills of Sale
7. Review Briefing Papers and Correspondence
  - a. Chief's Report
  - b. Letters
  - c. May Statistics
8. Any Other Business for Board Consideration
9. Executive Session Pursuant to C.R.S. 24-6-402(4)(f) to Discuss Personnel Matters Concerning the Annual Fire Chief Performance Evaluation

**ADJOURN**

## Agenda Item Cover

Item No.: 1

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



### TITLE

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Consider a Motion to Approve the Minutes from the May 25, 2016 Loveland Fire Rescue Authority (LFRA) Regular Board Meeting

### EXECUTIVE SUMMARY

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The attached documents, prepared by Roylene Sterkel and edited by outside attorneys, are a record of the May 25, 2016 regular meeting of the LFRA Board. The document details the discussions at the meeting including: a Chief's Life Saving Award granted to Michael Mullinix, the consent agenda (minutes and the revisions to the administrative regulations for Conduct, Performance and Discipline and Due Process); discussion of fire permit fee waivers for Bent Tree Church and Silverleaf II Apartments; a review of draft station lease and bills of sale for equipment; and the Chief's report.

### BACKGROUND

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Standard meeting protocol

### STAFF RECOMMENDATION

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Approve as written

### FINANCIAL/ECONOMIC IMPACTS

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N/A

### ASSOCIATED STRATEGIC GOALS

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N/A

### ATTACHMENTS

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May 25, 2016 Minutes



**Loveland Fire Rescue Authority Board Meeting Minutes**  
**Wednesday, May 25, 2016**  
**3070 W. 29<sup>th</sup> Street, Loveland**  
**1:30 p.m.**

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**Members Present:**

Board Chairman Jeff Swanty, Loveland Rural Fire Protection District  
 Vice Chairman Cecil Gutierrez, City of Loveland Mayor  
 Director Bill Cahill, Loveland City Manager  
 Director John Fogle, City of Loveland Council Member  
 Director Dave Legits, President of the Loveland Rural Fire Protection District

**Members Absent:**

None

**Staff Present:**

Loveland Rural Fire Protection District ("Rural Board") Secretary Greg White  
 Fire Chief Mark Miller  
 Division Chief Ned Sparks  
 Division Chief Greg Ward  
 Deputy Fire Marshal Carie Dann  
 Fire Inspector Allen Cravey  
 Business Services Coordinator Roylene Sterkel  
 Dino Ross, Legal Counsel to the Authority

**Visitors:**

Rural Board Vice-President Mike McKenna  
 Battalion Chief Rick Davis

**Call to Order:**

Chairman Swanty called the Loveland Fire Rescue Authority ("LFRA") Board meeting to order on the above date at 1:30 p.m.

**Awards and Presentations:**

Chief Miller presented the Chief's Life Saving Award to Michael Mullinix for his actions in saving the life of a boater in distress on May 2, 2016 at Bodecker Lake in Loveland.

**Public Comment:**

None

**Consent Agenda:**

1. Consider a Motion to Approve the Minutes from the LFRA April 27, 2016 Regular Board Meeting.
2. Consider a Motion to Approve the Revisions to the Administrative Regulation for Conduct, Performance, and Discipline (AR-00012) and Due Process (AR-00043).

Director Fogle moved to approve the consent agenda. Director Legits seconded the motion and it carried unanimously.

**Non-Agenda Item:**

Deputy Fire Marshal Dann introduced the new full-time Fire Inspector Allen Cravey to the Board.

Deputy Fire Marshal Dann wanted the Board to be aware of two fee waivers that the Community Safety Division (CSD) is considering. The two businesses are the Bent Tree Church for \$600 and Silverleaf II for \$1,400. These businesses had past sprinkler issues that they since have corrected through their own means or State grants that they applied for. Deputy Fire Marshall Dann reported that one of the businesses had submitted sprinkler plans back in 2009 and those plans were approved by CSD. It was later discovered that the approved sprinklers were wrong and would need to be replaced. The other business had a near fatality fire in 2013. Chief Miller said that he feels these businesses made a “good faith” effort to correct their sprinkler issues in both cases.

Vice Chairman Gutierrez expressed a concern that since this item was not on the regular agenda, perhaps the Board should wait to place it on the agenda for the June meeting. Attorney Ross agreed that the item needs to be on the June meeting agenda for further discussion and any decision that the Board may make. Director Fogle said that he would need to abstain from any vote because of his affiliation with the Housing Authority. Director Cahill suggested that the item be placed on the consent agenda for the June LFRA Board meeting.

Vice Chairman Gutierrez asked Division Chief Sparks if he anticipates other fee waivers coming before the Board. Division Chief Sparks said it could happen, but he anticipates there won't be many.

**Regular Agenda:****3. Review Draft Documents for the Equipment Ownership Transfer and Station Leases.**

Attorney Ross reviewed the proposed Non-Residential Real Property Lease Agreement for City and Rural Property. Once the Board is satisfied with these “samples”, he and Attorney Powell will use them to develop the training facility lease and the administrative office lease. Attorney Ross stated that the documents were developed using the firm’s typical templates of these type of agreements and then narrowed them down to the fundamental issues relevant to this transaction, as this type of lease sometimes can be quite lengthy, and contains a number of provisions that do not apply in this type of transaction. Attorney Ross explained that the sample documents included a 50 year lease that can be extended. There is a year termination clause by either the tenant or the landlord, with the Authority being offered comparable space should the Landlord terminate the lease. The annual rent would be \$1.00 each year.

Attorney Ross reviewed several Sections contained in the document and said that Article 7 dealing with “Title” is very broad. He talked about the Insurance, Property Damage and Sections under Article XV, Miscellaneous.

Co-Chairman Gutierrez questioned why Fire Station 4 is listed in the Rural District document. Chief Miller said it should be listed with the City stations. Station 9 needs to be added to the Rural District document and Station 7 needs to be removed. Attorney Ross said they will make those adjustments to the agreements.

Chairman Swanty had some concerns regarding the training grounds and what LFRA may be responsible for as far as improvements. Chief Miller said there are environmental issues with the retention pond and the State has mandated that the pond be filled in and a new bio-retention pond be built. There are significant costs involved. Director Cahill asks if the costs should be allocated as other costs for the City/Authority. He stated that the Board and Chief Staff need to figure out what the Training area is going to look like in the future. Attorney Ross stated that when the training facility lease is prepared, a paragraph or section can be added to the agreement once decisions have been made as to who will pay.

Chief Miller said he will provide particulars on costs as soon as he has that information. Attorney Ross said his firm will finalize the City and Rural Property Lease Agreements.

Attorney Ross then reviewed the proposed Omnibus Bill of Sale documents for the City and the Rural District that conveys the apparatus/vehicles and personal property (equipment, supplies, etc.) from the City and the Rural District to LFRA .

Rural Board Secretary White stated that there is one vehicle that the Rural District does not own. That vehicle is owned by the Colorado State Forest Service. Division Chief

Ward said the AARF vehicles would be in that same situation. Attorney Ross said that he and Attorney Powell can prepare a Transfer or Assignment of Use for those vehicles.

The Board then talked about other equipment or property that should be leased rather than transferred to LFRA, such as the IT system/equipment and the Opticoms. Attorney Ross said that he and Attorney Powell we can move those types of special equipment to the leases.

Chairman Swanty asked if the City is self-insured? Director Cahill said that the City uses CIRSA as its carrier. Chief Miller said LFRA probably needs to have its own property insurance. Rural Board Secretary White said he thinks LFRA is already covered. Director Cahill will check on the status of insurance.

Attorney Ross referred the Board to the checklist for completing the Real and Personal Property Lease/Transfer and said that the 4<sup>th</sup> Amendment to the Establishing IGA also will need to be prepared. Chairman Swanty questioned the signature page of the draft document that has “President” rather than Chairman on signature line. Attorney Ross explained that in most cases the President signs as the Officer of the Board, as the title “Chairman” refers to the individual running a given Board meeting.. Attorney Ross then reviewed the establishing IGA, and advised the Board that the IGA uses the title “Chairman” rather than “President”, so they will change the title of the signatory in the document from “president” to “Chairman”.

#### **4. Review Briefing Papers and Correspondence.**

Chief Miller shared a map of the **Training Grounds** showing where the current retention pond is located in proximity to other areas on the grounds. The State has mandated that the retention pond be filled due to environmental concerns. There was a landfill in that area years ago and water drains into the area from many different sources so it’s hard to know for sure where the problems stemmed from. Chief Miller reported that United Civil Engineering will charge \$10,000 to design a new system for a new retention pond in a different area of the Training grounds. Once the design work has been completed he can confirm what the cost will be for a new pond and storm drainage system. It has been estimated at somewhere between \$100-150,000.

The consensus of the Board was to move forward with the design work for the new retention pond and drainage system.

Chief Miller reminded the Board of the June 25<sup>th</sup> **open house at Fire Station 9** and the **Burlington Northern Train Ride** on Monday, May 30<sup>th</sup>.

Chief Miller said there are nine states and four countries that will be participating in the **Kill The Flashover (KTF)** training between June 7th and 9<sup>th</sup>. He encouraged the Board to come to the Training Grounds to see some of the activities.

Chief Miller reported that LFRA sold the old **Ladder 7** for \$25,000. That money was placed in the General Fund, but the Board may be asked to approve a supplemental budget to use those funds to help with the costs of the changes to the Training grounds.

Chief Miller reported that there are three Rural District openings on the **Fire Rescue Advisory Commission**.

Chairman Swanty reminded the Board of the **special meeting** on June 14<sup>th</sup> to talk about the Chief's evaluation. Two of the Board members said they will not be able to attend that meeting due to other commitments. After some discussion, it was decided that the Board would talk about the Chief's evaluation at the next regular Board meeting on June 29<sup>th</sup>. The special meeting on June 14<sup>th</sup> was cancelled.

No further items were discussed and Chairman Swanty adjourned the regular Board meeting at 3:00 p.m.

The foregoing minutes, having been approved by the LFRA Board of Directors, constitute the official minutes of the meeting held on the date stated above.

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Jeff Swanty, Chairman

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Roylene Sterkel, Secretary

## Agenda Item Cover

Item No.: 2

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



### TITLE

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Consider Approving Administrative Regulations

### EXECUTIVE SUMMARY

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There are several administrative regulations that have been revised by the City and are submitted for the LFRA Board's consideration for approval. The revisions are considered minor from the impact perspective and are proposed as a part of a standard practice to regularly evaluate the legal and operational functionality of the regulations. The City also adopted new a regulation associated with Firearms in the Workplace in April that is submitted for LFRA Board consideration.

### BACKGROUND

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The attorney advised in a previous LFRA Board meeting that all new or revised administrative regulations also needed to be approved by the LFRA Board, since during the employee transition the LFRA board approved all the existing administrative regulations,. The City revised the following policies in April, and they are submitted for consideration. When it is practical, it is our objective to remain consistent with the City on Administrative Regulations because LFRA contracts to provide services with many of the City departments who administer these regulations. The gifts, meals, and travel policies are listed with bullet points to highlight revisions provided by the City's Finance Director. The purchasing and capital assets highlights are provided by Cheryl Cabaruvias. The Firearms highlights are taken from the policy itself.

#### Gifts

- Increase employee departure gift limit, tenure from 3 to 10 years, from \$50 to \$75
- Increase gift limit for hospitalization or death of an employee's family member from \$50 to \$75
- Increase gift limit for deceased employee from \$100 to \$150
- Add: classification "In Loco Parentis" to definition of Qualifying Family Member

#### Business Meals

- General: Tightens language throughout the AR with no material impact on the content of the Regulation
- Add: Employees may use City Purchasing Card to pay for qualified business meals
- Clarify: Meals provided to employees called in for emergency situations
- Add: Documentation for Business Meals purchased with a City Purchasing Card must include an itemized receipt; the credit card receipt is not sufficient documentation.

#### Travel

- The travel policy was reformatted and revised for addressing the many unique incidents and legal changes that have come up since the last version.

## Agenda Item Cover

Item No.: 2

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



### Purchasing

- References to City Code Chapter 3.12 are replaced with LFRA Resolution #054 which adopted all of the City's Administrative Regulations.
- References to City's Purchasing Division are replaced with LFRA Purchasing Administrator since LFRA assumed responsibility for Purchasing functions effective May 2, 2016.
- Purchasing definitions and Related Regulations and Procedures are consolidated in the beginning of the policy.
- Procedures are revised to reflect current practices and provide stronger documentation of decision making for bidder selection, contract management and contract amendments.
- Blanket purchase orders are now referred to Indefinite Deliver Contracts (which caused an entire section of the previous policy to be marked out). Field purchase orders no longer exist. They were associated with the previous software package (which also caused another entire section to be marked out).
- Forms index was removed.

### Capital Assets Policies and Procedures *(This is a LFRA policy first adopted by the board in 2012.)*

- References to the previous City of Loveland Capital Assets Administrative Regulation was updated to reflect LFRA Resolution #054 which adopted all of the City's Administrative Regulations.
- All of the accounting standards references were updated according to the most applicable and most recent statements to ensure that LFRA is compliant.
- Capital Asset tracking was clarified in respect to determining ownership between City of Loveland and LFRA.
- A paragraph outlining Fleet Amortization was added to provide explanation of the accumulation of replacement funds.
- Federal Grant inventory handling was further explained as to physical inventory requirements, disposal and Federal Office of Management and Budget (OMB) publications were updated for reference.
- The Asset Classification table has been updated for service lives and apparatus type.

### Firearms in the Workplace

This is a new regulation related to the possession or use of firearms in the workplace when on duty and during the conduct of business. The policy basically indicates that only those authorized to possess firearms during the course, conduct and in the performance of their duties are permitted to possess firearms in the workplace, except as otherwise permitted by state law governing carrying a concealed handgun. Civilian employees may keep a legal firearm in their personal vehicle when the vehicle is parked on City property or driven on City property, provided the employee keeps the firearm securely locked within the vehicle at all times.

These regulations revisions are generated to be responsive to the operational environment, protect employees and manage liability.

## STAFF RECOMMENDATION

Approve the administrative regulations as written.

## Agenda Item Cover

Item No.: 2

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



### FINANCIAL/ECONOMIC IMPACTS

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None

### ASSOCIATED STRATEGIC GOALS

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Deliver cost effective services.

### ATTACHMENTS

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Administrative Regulations for:

- Gifts
- Business Meals
- Travel
- Purchasing
- Capital Assets
- Firearms in the Workplace



## ADMINISTRATIVE REGULATION (AR)

Gift (Revised from City AR 003-0060)

Effective: July 1, 2016

### I. SCOPE:

This Administrative Regulation applies to all Loveland Fire Rescue Authority (LFRA) employees including Regular, Temporary, Seasonal and Reserve/Volunteers.

### II. PURPOSE:

This Administrative Regulation ensures that all LFRA employees are complying with proper procedures, policies, and regulations applicable to gifts.

### III. DEFINITIONS:

- **Gift** refers to anything of value including, but not limited to: cash, merchandise, gift certificates, gift cards, memorials, flowers, and/or food purchased with Authority funds.
- **Qualifying family member** refers to an employee's spouse, child, parent, grandparent, grandchild, or sibling whether related by blood, marriage or adoption, domestic partner, or relationships classified as "in loco parentis".

### IV. POLICY

The Authority may provide recognition to an employee or an employee's qualifying family member with the Division Chief or his/her designee's permission for hospitalization, death or departure/separation of an employee in good standing (including retirement). This policy sets the dollar thresholds for gifts. There is a LFRA specific policy on service recognition plaques based on years of service to provide clarity and consistency for departure/separation recognition.

Any gift above the stated limits must be purchased with personal funds unless an exception is made by the Fire Chief. Any gift provided is considered taxable income, and must be reported to Payroll. The Internal Revenue Service (IRS) requires the Authority to withhold federal income taxes, state income taxes, and the applicable social security taxes.

#### **Basis For Mandate:**

- Internal governance
- IRS Regulations (as it pertains to the taxability of the gift)
- Recognition of Personnel When Separating from LFRA

### V. PROCEDURE:

#### **Departure**

An employee in good standing working three (3) to ten (10) years is eligible for a \$75 gift. After 10 years the gift limit is \$10 per year of service. See LFRA policy regarding *Recognition of*



## ADMINISTRATIVE REGULATION (AR)

Gift (Revised from City AR 003-0060)

Effective: July 1, 2016

*Personnel When Separating from LFRA* that identifies recognition plaques based on years of service.

### Hospitalization and Death

Gifts for hospitalization of an employee or an employee's qualifying family member may not exceed \$75. In the event of an LFRA employee's death, the employee's department may spend up to \$500 paid directly to the service delivery vendor.

The Fire Chief may approve LFRA assistance with the funeral of a fire volunteer retiree or retiree spouse for up to \$20 a year of service at the time of retirement to a maximum of \$500 paid directly to the service delivery vendor.

### VI. OTHER RELATED REGULATIONS & PROCEDURES:

- Not applicable

### VII. LFRA FIRE CHIEF SIGNATURE:

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Mark Miller, Fire Chief



## ADMINISTRATIVE REGULATION (AR)

Meals, Food and Entertainment (City AR 00031)

Effective: July 1, 2016

### I. SCOPE:

This Administrative Regulation applies to all Loveland Fire Rescue Authority (LFRA) employees including Regular, Temporary, Seasonal, and Reserve/Volunteer.

### II. PURPOSE:

This Administrative Regulation ensures that all LFRA employees are complying with proper procedures, policies, and regulations applicable to all meals, food and/or entertainment expenses.

### III. DEFINITIONS:

- **Business meal** refers to a meal that occurs when an LFRA employee entertains business associates, professional colleagues, and others over a meal during which the primary purpose is to conduct business.

### IV. POLICY

It is the supervisor's responsibility to review their employee's meal purchases and ensure that the purchase was reasonable in terms of the business purpose and the expense of the meal. The employee may pay for allowable business meals with personal funds, and be reimbursed; or the employee may use a LFRA purchasing card.

The number of business meals shall be limited. Acceptable reasons for business meals include:

- Meals with other area business and government officials and contractors.
- Meals with staff from other government entities where the practice is to purchase the entire meal on a rotating basis.
- Purchasing full meals is acceptable for LFRA regular meetings and as approved by the Fire Chief. Light meals or refreshments may be served at Board and Commission Meetings as authorized by the Fire Chief or his/her designee.
- During an emergency situation, the Fire Chief or his/her designee must approve meals provided in an emergency situation. One reasonably priced meal may be provided to employees working four hours over their normal daily work hours or when 12-hour shifts are required for employees on a 40 hour schedule. If any (40 hour schedule or shift schedule) employees are called in on their day off for an emergency, they may be provided one meal for each four hours worked as approved by the Fire Chief or his/her designee.



## ADMINISTRATIVE REGULATION (AR)

**Meals, Food and Entertainment (City AR 00031)**

**Effective: July 1, 2016**

- Meals with other LFRA employees in local restaurants are generally not eligible to be paid with LFRA funds. Local meals with other employees shall be considered a personal expense unless the business being conducted is such that it cannot be done in the office. An explanation of the reason as to why the meeting could not take place in the office must accompany the reimbursement request or P-Card Statement. The Division Chief or his/her designee must approve all such meals in advance.
- Meals are not to be provided for employee-only meetings unless the meeting must be held on premise during a mealtime and employees are required to attend. Working meals shall be limited to only when necessary and not for routine staff meetings. The Division Chief or his/her designee must approve the purchase of food for employee-only meetings in advance, and document the reason why the meeting must be held during mealtime. Providing reasonable snacks are acceptable during staff meetings but shall not be common practice and is at the discretion of the Division Chief or his/her designee.

### **Alcoholic Beverages**

Alcoholic beverages shall not be purchased using LFRA funds. Limited exceptions include special events and other general government activities, which must be approved in advance and in writing by the Fire Chief.

### **Farewell Parties and Award Recognition Ceremonies**

Farewell parties are authorized for any employee voluntarily leaving employment in good standing with LFRA. An itemized budget must be submitted for approval by the Fire Chief or his/her designee for award recognition ceremony in advance of the event. Expenditures must remain within the approved budget for the ceremony.

Please refer to the Administrative Regulation "Gifts" for additional guidance.

### **Holiday Parties and Appreciation Lunches**

Holiday parties and other appreciation lunches are permitted as approved by the Division Manager or his/her designee in advance, and must be within a reasonable limit.

### **Exceptions**

Any exceptions to this policy must be approved by the Fire Chief prior to the event.

### **Basis For Mandate:**

- Internal governance



## ADMINISTRATIVE REGULATION (AR)

Meals, Food and Entertainment (City AR 00031)

Effective: July 1, 2016

### V. PROCEDURE:

When documenting a business meal, itemized meal receipts must be attached to the paperwork in order to ensure costs are allowable. For business meals purchased with a LFRA P-Card, the credit card receipt is not sufficient; the employee must also provide an itemized receipt. Written documentation of the purpose of the business meeting, listing attendees, must also be attached to the P-Card statement, Miscellaneous Payment Request Form, or Expense Reimbursement & Petty Cash Voucher form.

Meals/refreshments must be charged to the appropriate account code. Meals that are purchased by an employee in violation of this policy may subject the employee to discipline and the employee may be required to reimburse LFRA.

### VI. OTHER RELATED REGULATIONS & PROCEDURES:

AR-00xxx      Gifts

Effective: 1/1/2016

### V. LFRA FIRE CHIEF SIGNATURE:

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**Mark Miller, Fire Chief**



## ADMINISTRATIVE REGULATION (AR)

Travel (City AR 00058)

Effective: July 1, 2016

**I. SCOPE:** This Administrative Regulation applies to all Loveland Fire Rescue Authority LFRA employees including Regular, Temporary, Seasonal and Reserves/Volunteers.

**II. PURPOSE:** This Administrative Regulation ensures that all LFRA departments and employees are complying with proper procedures, policies, and regulations that apply to all business travel.

### III. DEFINITIONS:

- **One-day travel** refers to travel for business reasons that is less than 75 miles one way where an employee returns home the same day. Travel that occurs for more than one day but which is less than 75 miles one way where an employee returns home each night is also considered one-day travel.
- **Multiple-day travel** refers to travel for business reasons that includes at least one overnight stay.
- **FLSA** refers to Fair Labor Standards Act.
- **Non-exempt** refers to employees in positions that are classified as having the ability to receive overtime per FLSA.
- **Exempt** refers to employees in positions that are classified as exempt from overtime per FLSA.

### IV. POLICY: BUSINESS TRAVEL

#### ONE-DAY TRAVEL

##### Meal Per Diem:

A \$15 per diem per day will be permitted for meals and miscellaneous expenses for a one-day travel on Authority business, which will carry over the lunch hour when lunch is not provided.

##### Transportation:

Employees are expected to use an Authority Vehicle for one-day travel. If circumstance do not allow the use of an Authority Vehicle, the employee's supervisor must approve the use of the employee's personal vehicle prior to travel. If a personal vehicle is used, mileage expense will be reimbursed by the Authority, based on IRS mileage rates. Mileage should be calculated from your place of work to the final destination, or from the employee's home to the final destination, whichever is less.

##### Parking and Tolls:

If parking costs are incurred, costs will be reimbursed. A parking receipt must be submitted with the reimbursement request. If tolls are paid by cash, a receipt is



## ADMINISTRATIVE REGULATION (AR)

Travel (City AR 00058)

Effective: July 1, 2016

required; if tolls are paid by Express Pass, the employee must obtain a record of the toll from their account.

### Registration:

Employees are expected to use their Authority Purchasing Card to pay for registration fees. If the employee doesn't have an Authority Purchasing Card, arrangements to pay in advance should be made with the Administration Division. If this is not possible, the Supervisor must approve payment with the employee's personal funds.

### Reimbursement:

Upon completion of one-day travel, the employee may submit a Petty Cash Reimbursement Form to recover: Meal Per Diem, Mileage (if applicable), Parking Costs, Tolls, etc. In order to be reimbursed for such costs, receipts must be attached to your reimbursement form. A MapQuest or other mapping application showing the total mileage, to and from your destination, is required.

## **MULTIPLE DAY TRAVEL**

From time to time, Authority employees may need to travel out of state, or within state but for multiple days. This Administrative Regulation defines work time while traveling, authorization requirements (including monetary advances), designates authorized expenses (meals, reservations for airline or other modes of travel, lodging, ground transportation, car rentals, use of personal vehicles, combining personal and business travel, vendor or other-entity paid travel, and travel cancellation), identifies reconciliation procedures after travel is complete, and designates unauthorized expenses for Authority travel.

### **Work Time while Traveling**

Non-Exempt Employees: Based on the Fair Labor Standards Act (FLSA), travel during the employee's normal work schedule, regardless of the day of the week, is considered Work Time. If such travel occurs outside of the employee's normal work schedule, and if no work is being performed while traveling, the time is not considered to be Work Time. If an employee works while traveling, all time spent working while traveling must be paid.

If a non-exempt employee believes there are unique circumstances that warrant different terms for compensation for travel time, they may consult with their Supervisor, Division Chief or his/her designee, or HR Representative.

Exempt Employees: Employees who are exempt from the FLSA are not compensated for additional time. However, Division Chief or his/her designee have discretion to provide a reasonable amount of time off when travel time results in excessive hours worked in a pay period.



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Travel (City AR 00058)

Effective: July 1, 2016

### Authorization for Travel, Conference and Training

A Travel Request Form must be completed and submitted to request an advance of anticipated expenses. All travel must be completed, approved and authorized by the employee's supervisor and the Fire Chief or his/her designee.

Upon receiving approval from the Supervisor and the Fire Chief or his/her designee, the employee may use their Purchasing Card to pay for registration, airfare, and lodging.

Travel advances, such as meal per diem, mileage, and any other approved advances, will be processed one to two weeks prior to travel, depending on the departure date.

### Meals

Meals while traveling will be paid by the Authority, using a paid in advance Per Diem process. Meals required during travel will be identified and included on the Travel Request Form; the Travel Contact in Accounting will apply the appropriate Per Diem amounts, and a check will be issued to the employee approximately 10-14 days prior to travel.

If meals are included in the training, registration, or event itinerary, those meals will not be included in the advance. The Authority's Purchasing Card is not to be used for meals while traveling when a per diem has been provided. The amount of any tip is included in the per diem.

Meal Per Diem will be allowed when:

- overnight stay is required;
- travel begins before **5 a.m.**;
- travel extends beyond **8 p.m.**

### Airline Reservations

The Authority is committed to seeking the lowest cost available airfares. If the employee chooses to upgrade to First Class, Business Class, Economy Plus, etc., it will be the employee's responsibility to properly document the difference between the upgraded fare and the lowest cost available airfare. The employee will be required to pay the difference (either by charging the difference to a personal credit card, through direct reimbursement to the Authority, or reducing the per diem on the reconciliation form).

Trends in the airline industry are for increases in fees for add-on items. Employees (and their supervisors) are expected to exercise sound judgment. If such add-on fees are appropriate, then they may be paid using Authority funds. However, employees need to



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be diligent; if a stated airfare is higher, but the carrier does not charge add-on fees, the total may be less expensive than an alternative with a lower stated fare but additional add-on fees.

Most airlines charge a substantial fee for changing a reservation after purchase. If a change is made after the ticket has been purchased, a complete report documenting the reason for the change, the additional cost incurred by the Authority, and the disposition of the change (for instance, if the airline issued a credit to the employee to be used for future Authority travel) must be reviewed and approved by the employee's supervisor and the Division Chief or his/her designee; the report will then be given to the Travel Contact in Finance to be attached to the Travel Request Form.

### Lodging

The Authority is committed to seeking the lowest cost lodging appropriate and available for business travel. Generally, when traveling to attend a conference, seminar, or other training opportunity, the sponsors/organizers will have designated hotels that have negotiated lower rates for attendees; the employee should take advantage of these hotels. If unavailable, the employee must actively shop for the best available lodging value (while recognizing the need for acceptable standards of safety, cleanliness, and comfort). Many hotels offer discounted rates for corporate and/or governmental employees traveling on business; the employee must inquire about such discounts.

If the employee chooses to upgrade lodging, it will be the responsibility of the employee to document the cost difference between the lowest cost option and the upgraded room. The employee will be required to pay the difference (either by charging the difference to a personal credit card, or through direct reimbursement to the Authority on the reconciliation form),

If the hotel charges for internet connectivity, and if the employee is required to connect to the internet for business reasons, the charge may be included on the Authority P-Card. The Authority will not bear costs for room service, in-room movies, personal telephone calls, weight room fees, or other miscellaneous personal charges.

Reasonable gratuities for baggage handling services will be reimbursed if they are reported on the reconciliation section of the Travel Request Form.

### Ground Transportation

The Authority recommends the use of airport shuttle services as the most cost-effective mode of travel to Denver International Airport. This charge, including a reasonable gratuity, may be put on the Purchasing Card, or paid out of pocket and reimbursed.



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If the use of an airport shuttle service isn't practical or feasible (for instance, if travel to or from the airport will occur after operating hours for the shuttle service), the employee may choose to drive. Reimbursable costs include mileage (round trip), tolls, and parking at the airport long-term lots. Fees for offsite long term parking lots may be reimbursed, if they are equal or lower in cost, or if there is a compelling reason to use them.

If the employee chooses to have a friend or a spouse drive them to the airport, the employee will only be reimbursed/advanced for the total mileage the employee would have incurred had they driven themselves to and from the airport.

Upon arriving at the destination airport, the employee must select the most economical and practical ground transportation alternative to travel to the hotel. Options generally include taxi, shuttle service, hotel courtesy van, or public transportation (bus, train, subway). The employee is expected to research travel options in advance, and select the best alternative. Hotel courtesy vans are generally free of charge; however, they aren't always available. Shuttle services are economical; however, they generally need to be arranged in advance. Taxi service is direct and readily available without advance reservation; however, taxi service is likely to be the most expensive option. Bus, train, and subway are low cost; however, these options may not provide direct transport to the hotel, and some employees may have safety concerns. Please take care to select the best option for travel.

Reasonable gratuities will be reimbursed if they are reported on the reconciliation section of the Travel Request Form.

### Car Rentals

The Authority is committed to seeking the lowest cost rental vehicle possible. The standard for vehicle size is sub-compact, compact, or mid-size, depending on circumstances.

Prior to bearing the cost of a rented vehicle, the employee must document the reason(s) why other lower-cost ground transportation options are not feasible or cost-effective. The decision to rent a car must be approved by the supervisor and the Fire Chief or his/her designee. If the rental is not been approved prior to travel, the employee will be required to reimburse the Authority for all fees associated with the car rental.

It is not necessary to purchase insurance coverage on a rental car; the Authority's insurance will provide coverage if there is an accident.

Allow time when returning the vehicle to fill up the gas tank (the employee may use their Purchasing Card). Decline any "prepaid gasoline policies" offered by the rental company.



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### Driving vs. Flying

An employee may use a personal vehicle instead of air travel if there is a sound business reason for doing so and if approved by the employee's supervisor and the Fire Chief or his/her designee. Reimbursement for miles traveled will be at the IRS mileage rate. All travel-related expenses will be paid by the Authority, and proper work time will be credited.

If there is not a sound business reason, the employee may still choose to drive; however, not all travel expenses will be paid by the Authority, and work time will be adjusted as necessary. The maximum amount of travel expense that will be reimbursed is the lesser of actual mileage or the cost of the lowest airfare available. The Authority will not pay for additional lodging or meal costs incurred if the employee chooses to drive; advances and costs will be based on what it would cost if the employee had flown. The employee will be required to use vacation, floating holiday, comp time, or leave without pay to cover missed hours worked due to extended travel time.

If an employee drives and he/she is in an accident, the employee's personal auto insurance will be in effect; the Authority will not provide vehicle coverage. If the employee is injured, and the accident occurs while the employee is deemed to be on Work Time, Worker's Compensation coverage and benefits may be in effect.

### Combining Business and Personal Travel

The Authority will pay for business travel expenses only. The employee is responsible for obtaining approval for time off, and making any additional travel arrangements regarding extension of travel time prior to, or after completion of, the event. If a spouse, family member, or friend accompanies the employee, additional expenses will be borne entirely by the employee or the third party. No additional lodging costs or meals incurred due to personal travel extension and/or other parties will be reimbursed.

Spouse/family/non-employee charges may not be put on the Authority P-Card, even if it is the intention of the employee to reimburse such charges.

### Vendor or Other-Entity Paid Travel

If an employee is required to travel to a vendor's facility, the Authority will pay for such travel. Due to significant issues of perceived or actual conflict of interest, and potential violations of LFRA gift policy (which prohibits gifts greater than \$50 cash or cash value), no vendor-paid travel will be authorized unless approved in advance by the Fire Chief.

If an employee is invited to be a trainer, instructor or speaker at an approved and appropriate conference or seminar, the sponsor or organizer of the event may pay registration and travel expenses. If the employee's supervisor and the Fire Chief or his/her designee approve such participation and outside-entity payment, a travel



## ADMINISTRATIVE REGULATION (AR)

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request form must be submitted to the Travel Contact, even though the Authority may actually not be expending monies for the trip. (This is necessary for liability purposes and wage compensation and is applicable only to instructor assignments during work time, not to off duty assignments, where the employee assumes personal liability.)

### Travel Cancellation

Please notify your supervisor and the Travel Contact immediately if travel plans must be changed or cancelled. The “actual expense” Reconciliation Section of the Travel Request Form should still be submitted to Accounting as a final reconciliation, with any notes as to reason for cancellation, dates reservations were cancelled, money being refunded, etc. Trips must be carefully planned; prepaid travel should only be cancelled in the event of unforeseen circumstances/emergencies.

### Reconciliation

Within two weeks of return from travel, the employee will be expected to submit the Actual Expense Reconciliation section of the travel form. Copies of all receipts charged to the Authority purchasing card must be attached, as well as original receipts for monies advanced (other than Meal Per Diem) and for eligible out-of-pocket expenses. If actual expenses exceed original travel advance estimates by a substantial amount, or include items not originally entered on the Travel Request Form, the Division Manager or his/her designee’s approval of the actual expenses is required.

Please note: Reimbursable expenses are not to be reimbursed through Petty Cash.

If, upon submittal of the travel reconciliation, an employee owes money to the Authority, the employee must attach a check to the travel reconciliation form and submit the form to Accounting. If an employee fails to reimburse the Authority any monies owing within two weeks of return from travel, the matter may be turned over to the Fire Chief or his/her designee.

### Travel Expenses Not Allowed

- Meals, lodging, airfare or other expenses for spouses, family members, or other non-LFRA employees;
- Liquor, movies (including in-room movies), weight room fees, or entertainment;
- Sporting events;
- Laundry, dry-cleaning, or shoe shines/shoe repairs;
- Other personal expenses not directly related to Authority business.



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### Authority Board of Directors Travel

All LFRA Board of Directors shall abide by the same guidelines established in this travel policy.

#### **Basis For Mandate:**

- Internal governance

#### **V. OTHER RELATED REGULATIONS & PROCEDURES:**

- AR-00031 Business Meals

#### **VI. LFRA FIRE CHIEF SIGNATURE:**

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Mark Miller, Fire Chief



# ADMINISTRATIVE REGULATION (AR)

**AR-00001** Procurement Regulation (City AR-00001)

Effective: 10/22/09~~07/01/16~~

## I. SCOPE:

This Administrative Regulation applies to all (LFRA) divisions and all LFRA employees including full-time, part-time, temporary, and seasonal hires.

## II. PURPOSE:

This Administrative Regulation ensures that all LFRA ~~departments and~~ employees are complying with with LFRA Resolution #054 Section 6.a~~Chapter 3.12 of the City Code~~. This Administrative Regulation supersedes and replaces any previous version of this Administrative Regulation~~Administrative Regulation No. 01-07 Procurement Regulations~~.

## III. DEFINITIONS:

- BPC refers to Blanket Purchase Contract (now referred to as Indefinite Delivery Contract)
- City Code refers to City of Loveland Municipal Code
- CRT refers to Concept Review Team (Planning Division)
- DRT refers to Design Review Team (Planning Division)
- ECA refers to Environmental Compliance Administrator (Risk Management Division)
- EOC refers to Emergency Operations Center
- FTA refers to Federal Transit Authority
- IDC refers to Indefinite Delivery Contract
- ITB refers to Invitation to Bid
- L.M.C. refers to Loveland Municipal Code
- LUC refers to Loveland Utilities Commission
- SDS refers to Safety Data Sheets
- NIGP refers to National Institute of Governmental Purchasing
- PO refers to Purchase Order
- RFP refers to Request for Proposal
- RFQ refers to Request for Quotation
- SOQ refers to Statement of Qualifications

Other acronyms and terms are defined within the regulation.  
Distributed throughout the regulation.

## IV. POLICY:

This Procurement Administrative Regulation is hereby adopted as the procurement procedure for LFRA in accordance with LFRA Resolution #054 Section 6.a~~Chapter 3.12 of the City Code~~. See section VII for the Policy and Procedure in more detail.

### **Basis For Mandate:**

- LFRA Resolution # 054
- ~~City of Loveland Municipal Code Chapter 3.12.~~





# ADMINISTRATIVE REGULATION (AR)

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## VII. POLICY & PROCEDURE:

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# ADMINISTRATIVE REGULATION (AR)

**AR-00001 Procurement Regulation (City AR-00001)**

Effective: **10/22/0907/01/16**

## **A. INTRODUCTION**

LFRA Procurement Regulations are promulgated in accordance with LFRA Resolution #054 Section 6.aChapter 3.12 of the City Code. These Regulations establish LFRA's procurement procedures consistent with the purposes of LFRA Resolution #054 Section 6.aChapter 3.12, which are to maximize the purchasing value of public funds, foster effective competition within the free enterprise system, and provide safeguards for maintaining a procurement system of quality and integrity. City Code 3.12.020. These Regulations apply to all procurements of services and supplies necessary for LFRA operations *except*: legal services; litigation services; fine art; artistic, musical, and dramatic performances; employment contracts; intergovernmental agreements; and purchases or leases of any interest in real property. City Code 3.12.010A.

LFRA uses both a centralized and decentralized procurement system. The centralized system is used by the Purchasing Division program managers to procure common inventory items stored in the city warehouse, materials warehoused for City-owned utilities, copiers and copier maintenance, cell phone service, fuel, and pit materials (note: a department may procure these materials and supplies for a specific project if it so desires). items such as copy paper, shop towels, gloves, etc. LFRA warehouse is used by program managers for common items such as foam, small tools and other commodities used by multiple programs. The decentralized system is used by individual LFRA divisions programs to procure services and supplies not available in the warehouse that are necessary for that department's program's operations.

## **B. PROCUREMENT RESPONSIBILITY AND ETHICS**

### **Procurement Responsibility**

Individual LFRA divisions program managers are responsible for procuring most services and supplies necessary for their particular operations. If you are Each individual assigned this task on behalf of your division, you must read and follow these Regulations. If you have any Questions regarding these Regulations, applicable provisions of LFRA Resolution #054 Section 6.a the City Code, or how to the procurement process for services and supplies generally, should be directed to the divisions or offices listed below based on the issue contact the departments listed below, which are available to help you with the following:

#### LFRA Purchasing Division Administrator

- Determining-Determine which procurement method applies to the purchase.
- Determining-Determine what procedure must be followed for the particular procurement method.
- Obtaining procurement and payment forms.
- Posting an ITBs, RFPs, RFQs, and SOQs on BidNet Rocky Mountain E-Purchasing.
- Scheduling and attending bid/proposal opening.
- Assure compliance with procurement laws, ordinances, and regulations.
- Comply with public record requests for procurement records.
- Maintain a signature authority list and ensure that the person signing a contract has authority to do so.

#### Accounting



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- Processing payment requests.
- Administering purchasing cards.
- Tracking capital project finances for project managers.
- ~~Processing receiving reports.~~

### City Warehouse

- ~~Employees Requisitioning warehouse stock, and City Warehouse fills request.~~
- ~~Scheduling Schedule~~ delivery.
- Return~~ing~~ inventory.
- Sell~~ing~~ or buy~~ing~~ surplus or obsolete supplies.

### LFRA Warehouse

- ~~Employees requisition stock, and LFRA Warehouse fills request.~~
- ~~Schedule~~ delivery.
- ~~Return~~ inventory.
- ~~Sell or buy surplus or obsolete supplies.~~

### City-LFRA Attorney's Office

- Interpret~~ing~~ procurement laws, ordinances, and regulations.
- ~~Complying Assure compliance~~ with procurement laws, ordinances, and regulations.
- ~~Complying with Advise on~~ public record requests.
- ~~Negotiating Assist in the negotiation of contracts terms.~~
- ~~Interpret contract terms when a dispute arises.~~
- ~~Resolving Work with LFRA to resolve~~ disputes with contractors and suppliers.

### Risk Management

- ~~Interpret~~ing~~ and negoti~~ating~~ negoti~~ate~~~~ insurance requirements.
- ~~Assure that vendors comply with insurance requirements for contracts with LFRA.~~
- ~~Identifying When~~ potential environmental issues ~~are identified, advise to ensure that issues are adequately addressed.~~
- ~~Complying Advise on compliance~~ with environmental laws and regulations.
- ~~Complying Advise on compliance~~ with safety laws and regulations.

### **Procurement Ethics**

~~You~~ All employees purchasing on behalf of LFRA must behave in an ethical manner and should follow the standards for ethical procurement established by the National Institute of Governmental Purchasing ("NIGP"). <http://www.nigp.org/eweb/docs/Practices/Ethical.pdf>. Generally speaking, this means:

- ~~You cannot play~~ Do not engage in –the “meet or beat” game with contractors and suppliers.
- ~~You must o~~ffer equal assistance to all contractors and suppliers.
- When requested, ~~you must~~ make purchasing records available to the public to the



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extent required by the Colorado Open Records Act, C.R.S. § 24-72-201 et seq. ~~If you are asked to disclose~~Any request for procurement records, ~~please contact the City Attorney's Office for assistance~~ should be directed to the Purchasing Administrator.

- ~~You must state~~The criteria for contract award ~~award must be stated~~ in the ITB, RFP, or RFQ document. Once set, ~~you cannot change~~ the criteria cannot be modified without informing ~~each potential~~all bidders.
- ~~You must use the required~~The applicable method must be used to procure services and supplies; services and supplies cannot be sole sourced absent a documented determination that the sole source procurement is in compliance with LFRA Resolution #054 Section 6.a~~City Code Chapter 3.12~~.
- ~~You cannot~~LFRA does not favor certain contractors or suppliers over others; LFRA cannot use a contractor or supplier simply because the contractor or supplier is locally-owned or LFRA has used that contractor or supplier in the past. LFRA must use a competitive procurement process, not one based on favoritism or personal likes or dislikes.
- ~~You~~Employees cannot use LFRA discount schedules when purchasing services or supplies for ~~your~~ individual (non-LFRA) use, unless the discount is permitted under LFRA Resolution #054 Section 6.a regarding prohibited gifts to LFRA officials which includes employees.~~unless the pricing is published by the contractor or supplier as available to employees.~~

~~In addition, please see Chapter 2.73 regarding prohibited gifts to city officials (including employees).~~

### Conflicts of Interest

An employee may not take any official action concerning any matter as to which that employee has a conflict of interest. An employee has a conflict of interest if that employee (or his or her parent, spouse, or child) would receive any pecuniary (financial), property, or commercial benefit relating to the matter. Any employee with a conflict of interest must disclose the conflict to his or her supervisor as soon as possible and may not be involved in the procurement~~take official action~~ concerning the matter. In addition, an employee (or his or her parent, spouse, or child) may not have an interest in any LFRA contract, unless the contract is awarded to the lowest responsible bidder after competitive bidding (via RFQ, RFP, or ITB). ~~If you are~~An employee who is unsure as to whether ~~you there~~ may ~~have~~be a conflict of interest for the purposes of taking official action in any matter, or ~~if you are~~who is unsure as to whether ~~you or your~~a parent, spouse, or child may bid on a particular LFRA contract, please should contact ~~your~~his or her supervisor and the LFRA Attorney.

### **C. PURCHASING AUTHORITY** (City Code 3.12.060)

#### **Contracts** (City Code 3.12.060A)

All contracts of \$499,999 or less may be approved by the Fire Chief or his designee. All contracts of \$500,000 or more must be submitted to the LFRA Board for approval. ~~For LUG authority, see City Code 2.60.360F.2. Contracts for which the necessary funds have not been appropriated, and contracts for construction in local improvement districts, must be submitted to~~



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~~City Council for approval.~~

### **Change Orders** (~~City Code 3.12.060B~~)

Any change order that causes a contract to equal or exceed \$500,000 and which, when combined with all previous change orders, equals or exceed 20% of the original contract amount must be submitted to the LFRA Board for approval. All other change orders may be approved by the Fire Chief or his designee.

Please note: the designee signing the change order must have authority to sign for the TOTAL amount of the contract (*i.e.*, the total of the original contract amount PLUS change order), not just the amount of the change order, except when additional authority is designated by the Fire Chief (see "CONSTRUCTION PROJECTS \$30,000+" below for details).

### **D. PROCUREMENT METHODS** (~~City Code 3.12.070~~)

There are several methods of procuring services and supplies. Which method to use largely depends on the cost of the services and supplies ~~you intend to procure~~sought. The following chart is a general overview of LFRA's procurement methods:

Cost of Services/Supplies:	Procurement Method to Use:
\$1 – \$4,999	No bidding required, but cost-conscious practices must be applied. See "Payment Methods—Ordering & Paying for Services & Supplies"
\$5,000 – \$9,999	<u>At least 3 Verbal quotes</u>
\$10,000 – \$29,999	<u>At least 3 Written quotes</u>
\$30,000+	Competitive sealed bid or competitive sealed proposal

### **Verbal Quotes (\$5,000 – \$9,999)** (~~City Code 3.12.070A.3.~~)

When soliciting verbal quotes, you must do the following:

- Solicit (over the phone or in writing) informal quotes from **at least** three qualified contractors or suppliers.
- Document all responses, including the offeror's name, price, and any other information you feel would be helpful to you in making your decision. If you do not receive an offer after solicitation, include that information in the documentation. If the remaining two quotes do not seem competitive, solicit from at least one more vendor.
- Award the contract to the lowest responsible offeror, unless the aFire Chief or his or her designee, determines in writing that LFRA's interests will be better served by accepting a higher quote.
- Keep a copy of all dDocumentation the quotes in accordance with the Loveland Fire Rescue Authority records retention policy and attach to the Finance Software System requisition (if creating a purchase order).
- If not creating a purchase order keep all documentation in accordance with LFRA's records retention policy (six years plus current after the last purchase is made under the award).



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- Begin the routing process for execution of a contract before services are provided or supplies sent.

### Written Quotes (\$10,000 - \$29,999) ~~(City Code 3.12.070A.2.)~~

When soliciting written quotes, you must do the following:

- Draft a request for quotes ("RFQ"). The RFQ must include a description of the subject of the quote (*i.e.*, services or supplies sought), specifications if applicable, and contractual terms and conditions applicable to the procurement, including the date and time by which quotes must be received how the quotes can be transmitted to LFRA (fax, email, mail, etc.), and sample contract if applicable.
- Issue the written RFQ to at least three qualified contractors or suppliers.
- Receive written quotes on or before the date by which quotes must be received. Instruct offerors to direct quotes to you, ~~not the City Clerk~~ Do not accept quotes after date and time set forth in the RFQ.
- Privately open and evaluate the quotes based on the criteria set forth in the RFQ.
- Award the contract to the lowest responsive, responsible offeror whose quote meets the requirements and criteria set forth in the RFQ, unless the Fire Chief, or his or her designee, determines in writing that the Loveland Fire Rescue Authority's interests will be better served by accepting a higher quote.
- If creating a purchase order, attach all quotes to the requisition in the Finance Software System.
- If not creating a purchase order, you must keep a copy of all documentation in accordance with LFRA's records retention policy (six years plus current after the last purchase is made under the award).
- Execute a contract with the vendor prior to services being provided or supplies sent.
- ~~Keep a copy of all documentation in accordance with the Loveland Fire Rescue Authorities records retention policy.~~

### Competitive Sealed Bids and Competitive Sealed Proposals (\$30,000+) ~~(City Code 3.12.070A.1.)~~

~~If you are~~ When procuring services or supplies estimated to cost \$30,000 or more, ~~you must use~~ the competitive sealed bid or competitive sealed proposal process should be used. Which process to use depends on the nature of the procurement. Generally speaking, if ~~you know~~ the exact nature of the services or supplies is known, the competitive sealed bid process should be used. For example, ~~if you are~~ when procuring construction services and ~~you know~~ the scope of those services and roughly what is required is known, ~~you should use~~ then the competitive sealed bid process should be used. However, if there are unknowns, the competitive sealed proposal process should be used. For example, ~~if you are~~ when procuring technical equipment necessary for an LFRA process, but ~~aren't sure what it is~~ unknown the exact nature or configuration of what that equipment might be (or there is more than one design or configuration available to do the job), ~~you should use~~ then the competitive sealed proposal process should be used. The following chart illustrates the general differences between bids and proposals:

Competitive Sealed Bids:	Competitive Sealed Proposals:
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**AR-00001 Procurement Regulation (City AR-00001) Effective: ~~10/22/09~~07/01/16**

Type of services/supplies and quantities (rough) are known.	Nature of services/supplies known, but exact type and/or quantities are unknown.
Bids due at set time/date; bidder’s name, price, and other information are read and are available to the public at public bid opening – other information is available to the public after contract award.	Proposals due at set time/date; offeror’s name (only) is read at public proposal opening – other information is not available to the public until after contract award.
Contract awarded to lowest responsible bidder.	Contract awarded to the responsible offeror whose proposal is determined to be the most advantageous to <b>Loveland Fire Rescue Authority_LFRA</b> .
Negotiations are prohibited.	Negotiations are permitted to allow for further tailoring of the chosen proposal to the <b>Loveland Fire Rescue Authority_LFRA</b> needs.

*If you are unsure about which process to use, please contact the Purchasing **Division Administrator** for assistance.*

### **Competitive Sealed Bids (City Code 3.12.070A.1.)**

When using the competitive sealed bid process, ~~you must do~~ the following **must be done**:

- Draft an invitation to bid (“ITB”). The ITB must include all specifications and contractual terms and conditions applicable to the procurement (*i.e.*, Instructions to Bidders, General Conditions, Special Conditions, Technical Conditions, bid form, and form contract and bonds, if required). Use the applicable LFRA standard forms located on the LFRA forms drive or intranet.
- Use the appropriate bid checklist (general bid or capital construction) to ensure ~~you are following that~~ all steps in the process are being followed.
- Send to LFRA Attorney and Purchasing Administrator for approval.
- Coordinate with the Purchasing ~~Division Administrator~~ to schedule a date for the bid opening. Bid openings are generally held on Thursdays at 2:00 p.m.
- No less than fourteen calendar days prior to the date set for bid opening or pre-bid meeting, if applicable, publish a notice of the ITB in the Loveland Reporter-Herald (and any other publications designed to provide adequate notice, if desired). In order to provide notice as required herein, fill out a notice form and send it to the City Clerk’s Office no later than seven days before the date of advertisement. The notice must include the subject of the bid, the place, date, and time of the pre-bid meeting (if any) and whether or not the meeting is mandatory, and the place, date, and time of bid opening. The notice may also include other information ~~you feel is~~ that may be important to secure qualified bids.
- ~~Send the ITB to the Purchasing Division for posting on Rocky Mountain E-Purchasing BidNet. You may also include~~ a list of potential bidders ~~you want~~ to receive the ITB may be included. ~~If you do, t~~ Those bidders will be mailed an invitation to check the Rocky Mountain E-Purchasing BidNet website and to register with Rocky Mountain



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- E-Purchasing BidNet if they haven't already done so. Once distributed, the ITB can be clarified, modified, or changed by written addenda only. Addenda must be distributed to all potential bidders via Rocky Mountain E-Purchasing BidNet. LFRA cannot issue verbal clarifications, modifications, or changes to the ITB. Communication with potential offerors should be limited to the pre-proposal meeting. Any prebid information provided outside of the pre-proposal meeting shall be shared with all other potential offerors to avoid any potential unfair advantage to one over another. This information shall be shared with the potential offerors by email or by posting on Rocky Mountain E-Purchasing.
- ~~Other than during the pre-bid meeting, you cannot discuss the subject of the bid or the ITB with potential bidders.~~
  - If applicable, hold the pre-bid meeting. The meeting must be held no less than seven calendar days prior to the date set for bid opening. If the meeting is mandatory, bidders who fail to appear cannot be considered responsive bidders, and their bids must be rejected.
  - Receive bids through the City Clerk's Office on or before the date and time set for bid opening.
  - On the date and time set for bid opening, the Purchasing Division Administrator will publicly open the bids and record each bidder's name and the amount of each bid.
  - Evaluate the bids for responsiveness of the bid and responsibility of the bidder based on the requirements set forth in the ITB.
  - If the contract award is \$499,999 or lower LFRA may award the contract to the lowest responsive, responsible bidder whose bid meets the requirements and criteria set forth in the ITB. If the Fire Chief believes that LFRA's interests will be better served by accepting a higher bid, he/she may decide to accept the higher bid, provided that decision, and the justification for the decision, is set forth in writing and forwarded to the Purchasing Administrator for retention according to LFRA's retention policy.
  - If the contract award is greater than \$500,000 it must be submitted for approval to the LFRA Board.
  - Contract and award amount shall be bid amount only, no contingency or force account added to the contract amount. All change orders above the base amount will be routed through LFRA's change order process.
  - ~~Award the contract to the lowest responsive, responsible bidder whose bid meets the requirements and criteria set forth in the ITB. If the City Manager or applicable department director believes that the City's interests will be better served by accepting a higher bid, he/she may decide to accept the higher bid, provided that decision, and the justification for the decision, is set forth in writing.~~
  - The Purchasing Administrator must keep a copy of all bids received and any other associated writings in accordance with LFRA's records retention policy. Once the contract has been executed, all bids and other writings must be returned to the Purchasing Administrator.
- The Purchasing Division will keep a copy of all bids received in accordance with LFRA's



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records retention policy.

### **Competitive Sealed Bids for Indefinite Delivery Contracts for Construction**

- Construction services of a similar nature may be bid as an Indefinite Delivery Contract (IDC). Samples for construction IDC used in the past are such as boring, low voltage electrical work, installation of emergency flasher signs. IDC Invitation to Bid must contain specific line item prices with estimated quantities for construction services to be provided. IDC Invitation to Bid must indicate that the resulting contract and bonds will be set at a “not to exceed” amount based on the average expenditure for such services during the past three years (if available).
- Because LFRA establishes the “not to exceed” number prior to issuing a IDC Invitation to Bid, bids received in response to a IDC Invitation to Bid must be evaluated under a sample project, which may or may not be set forth in the IDC Invitation to Bid, or by using actual invoices from projects completed in the past 12-24 months. The sample project should use as many different services as possible and based on a project (or projects) completed in the past 24 months or to be completed in the next 12 months in order to give the most accurate information to determine the lowest responsible bidder.
- The Invitation to Bid must also state that there is no minimum quantity guaranteed by LFRA and that LFRA reserves the right to bid large single projects if in their best interest.

### **Competitive Sealed Bids for Indefinite Delivery Supply or Services (trades) Contracts**

Contracts for supplies and services (trades like plumbing, painting, etc.) used repetitively throughout the year may be bid with an Indefinite Delivery Contract (IDC) Invitation to Bid (ITB) or Request for Proposal (RFP).

- ITB or RFP must define and request pricing on as many unit prices as can be identified to be billed under the contract
- Indefinite Delivery Contracts resulting from RFPs or ITBs may not be used for projects over \$30,000 unless specified in the RFP or ITB. Projects may not be broken into smaller work orders to work around this requirement.
- IDC ITB or RFP must indicate that the resulting contract will be set at a “not to exceed” amount based on the average expenditure for such supplies or services used during the past three years (if available). The ITB or RFP must also state that there is no minimum quantity guaranteed by LFRA.
- Because LFRA establishes the “not to exceed” number prior to issuing an IDC ITB or RFP, bids received in response to an IDC ITB or RFP must be evaluated under a comprehensive sampling of items used or projects completed in the past 24 months.

### **Blanket ITBs**

~~———— If you need multiple construction services of a similar nature, you may choose to procure the services through a blanket ITB. Blanket ITBs must indicate that the resulting contract, bonds, and BPOs will be set at a “not to exceed” amount based on the average expenditure for such services during the past three years (if available). Because the City establishes the “not to exceed” number prior to issuing a blanket ITB, bids received in response to a blanket ITB must be evaluated under a sample project, which may be set forth in the blanket ITB. The sample project~~



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~~should use as many different services as possible in order to give you the most accurate information to determine the lowest responsible bidder. Blanket ITBs may not be used for projects over \$30,000 unless specified in the ITB.~~

### **Competitive Sealed Proposals (also known as Request for Proposals)(City Code 3.12.070A.1.)**

When using the competitive sealed proposal process, ~~you must do~~ the following is the appropriate process \*:

- Draft a request for proposals (“RFP”). The RFP must include all specifications and contractual terms and conditions applicable to the procurement.
- Use the appropriate bid checklist (general bid or capital construction) to ensure ~~you are following that~~ all steps in the process are being followed.
- Include the evaluation criteria or requirements upon which the proposals will be evaluated.
- Send RFP to LFRA Attorney and Purchasing Administrator for approval.
- Determine if ~~you would like to offerors will be~~ pre-qualified ~~offerors. If you decide to pre-qualify, d~~raft a letter outlining the RFP and requesting that interested parties submit a written statement of qualifications (“SOQ”) by a set date and time.
- Coordinate with the Purchasing ~~Division Administrator~~ to schedule a date for the proposal opening. If you’ve decided to pre-qualify offerors, schedule a date and time for SOQ opening.
- No less than 14 calendar days prior to the date set for proposal opening or pre-proposal meeting, if applicable ~~(or SOQ opening, if you’ve decided to pre-qualify offerors)~~, publish a notice of the RFP (or requests for SOQs) in the Loveland Reporter-Herald (and any other publications designed to provide adequate notice, if desired). In order to provide notice as required herein, fill out a notice form and send it to the City Clerk’s Office no later than ~~seven-three~~ days before the date of advertisement.
  - If advertising for an RFP, the notice must include the subject of the proposal, the place, date, and time of the pre-proposal meeting (if any) and whether or not the meeting is mandatory, and the place, date, and time of proposal opening. The notice may also include other information you feel is important to secure qualified proposals.
  - If advertising a request for SOQs, the notice must include the subject of the proposal and the place, date, and time of SOQ opening. The notice may also include other information you feel is important to secure SOQs from qualified offerors.
- If pre-qualifying offerors, publicly open the SOQs on the date and time set for SOQ opening and record the name of each potential offeror. Select those potential offerors ~~you feel who~~ are most qualified to perform the necessary services or provide the needed supplies. ~~You may only distribute t~~The RFP may only be distributed to those potential offerors whom ~~you have~~ been pre-qualified.
- Distribute the RFP. Send the RFP in electronic form to the Purchasing ~~office Administrator~~ for publication on Rocky Mountain E-Purchasing BidNet. ~~You may also include a~~ list of potential offerors ~~you want to who should~~ receive the RFP may be



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~~included. If you do, t~~Those offerors will be mailed an invitation to check the Rocky Mountain E-Purchasing BidNet website and to register with Rocky Mountain E-Purchasing BidNet if they haven't already done so. Once distributed, the RFP may be clarified, modified, or changed by written addenda only. All addenda must be posted on Rocky Mountain E-Purchasing BidNet. Addenda must be distributed to all potential bidders via Rocky Mountain E-Purchasing BidNet. LFRA cannot issue verbal clarifications, modifications, or changes to the RFP. Other than during the pre-proposal meeting, limit conversations with potential bidders to avoid improper disclosures that could provide an offeror with an unfair advantage and to avoid the perception of preferential treatment of an offeror. you cannot discuss the subject of the proposal or the RFP with potential offerors.

- If applicable, hold the pre-proposal meeting. The meeting must be held no less than 7 calendar days prior to the date set for proposal opening. If the meeting is mandatory, offerors who fail to appear cannot be considered responsive offerors, and their proposals must be rejected.
- Receive proposals through the City Clerk's Office on or before the date and time set for proposal opening.
- On the date and time set for proposal opening, the Purchasing ~~Division Administrator~~ will publicly open the proposals and record each offeror's name.
- Evaluate the proposals based on the requirements set forth in the RFP. Rank the proposals from the most to least qualified. Document the ranking or evaluation criteria. If the contract will be for over \$500,000, have at least two or three persons evaluate the proposals together as a committee.
- If ~~you feel~~ it would ~~be helpful to your assist in the~~ decision, interview the offerors to clarify and ensure the offerors' full understanding of RFP requirements and LFRA's full understanding of the offerors' proposals. Offerors must be treated equally with respect to opportunities for discussion and revision of proposals. ~~You may allow~~ Offerors may be permitted to revise their proposals after proposal opening and prior to contract award in order to reflect clarifications in the proposal's scope of work or contract amount. When conducting interviews, do not disclose any information received in proposals submitted by competing offerors or where a particular offeror ranks in terms of most to least qualified.
- If the contract award is \$499,999 or lower LFRA may award the contract to the lowest responsive, responsible offeror whose proposal best meets the requirements and criteria set forth in the RFP. Price may be only one factor in the evaluation of the proposals.
- If the contract award is greater than \$500,000 it must be submitted for approval to the LFRA Board.
- Contract and award amount shall be bid amount only, no contingency or force account added to the contract amount.
- ~~Award the contract to the responsible offeror whose proposal is determined to be the most advantageous to the Loveland Fire Rescue Authority~~ LFRA.



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The Purchasing Division will keep a copy of all proposals received and any other project related writings in accordance with LFRA's records retention policy.

\*Please note that SOQ's and RFPs for professional or technical services do not need to be posted on Rocky Mountain E-Purchasing BidNet or made available to all potential offerors. See the section on "Professional, Technical, and Incidental Services," below.

### Design-Build Contracts

For certain types of projects, ~~you may decide that it~~ may be more efficient in terms of time and/or cost to pursue a design-build contract. These are most effective where requirements are not prescriptive. If you decide to go this route, you must do ~~the~~ the following must be completed in addition to the regular competitive sealed proposals process:

- Determine whether this will be a one or two-step RFP. A two-step process includes identifying the most qualified bidders, soliciting general designs options in the first phase, and having specific technical specifications;
- Include design requirements in the RFP;
- Solicit proposal development documents (drawings and other design-related documents that are sufficient to fix and describe the size and character of a design-build project as to architectural, structural, mechanical, and electrical systems and materials and such other elements as may be appropriate) through the RFP. If two steps, identify the percentage of design that should be completed for first submission; and
- Include in the RFP a statement regarding the relative importance of the following evaluation criteria: (1) demonstrated compliance with design requirements; (2) offeror qualifications; (3) financial capability; (4) project schedule; (5) price; and (6) other factors, if any.
- If two-step, after receiving proposals, use the evaluation criteria to select the top three offerors. The top three would be solicited to submit final design and construction bid proposals. The second RFP should include the sample contract.
- Proposals should be reviewed and evaluated with a team that includes individuals knowledgeable in the project and with necessary technical expertise. The technical review and scoring should occur before sharing with financial/price proposals.

### Sole Source Procurements ~~(City Code 3.12.070C)~~

A sole source purchase is justified if one of the following criteria applies:

- There is only one source of the services or supplies;
- There is only one manufacturer of the supplies;
- There is only one factory-authorized supplier in Colorado;
- A particular service or supply is required to maintain interchangeability or compatibility as part of an existing integrated system;
- A particular service or supply is required in order to standardize or maintain standardization for the purpose of reducing financial investment or simplifying administration; or



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- A particular service or supply is required to match materials in use so as to produce visual harmony.

If ~~you-it is~~ determined that a sole source procurement is justified, ~~you must complete a~~ Sole Source Procurement Form must be completed and signed by the appropriate person prior to making the sole source procurement. The form should be placed in the contract file, and a copy should be attached to the requisition entered into the Finance Software System sent to the Purchasing Division along with the requisition form. A Sole source form must be created for each purchase; it cannot be assumed the sole source still exists for like purchase at a later date. If there is only one factory authorized distributor in this region for the sole source item(s), proof of that in the form of a letter, email, or clip from the manufacturer's website must be attached to the sole source justification form. This proof of sole distributorship must be updated no less frequently than one time every 12 months for ongoing purchases. For Original Equipment Manufacturers, a sole source form should be completed once every 12 months. Sole source procurements of \$30,000 or more must be approved by the Fire Chief or his designee. Sole source procurements up to \$29,999 may be approved by the Division Chief or his designee. If funds have not been appropriated, the sole source procurement must be approved by the LFRA Board.

### Emergency Procurements (City Code 3.12.070D)

An emergency procurement is justified when a threat to public health, welfare, or safety exists. Circumstances justifying an emergency procurement include natural disasters (e.g., landslides, earthquakes, fires, floods, and epidemics) and man-made ones (e.g., wars, riots, and terrorist acts), and critical equipment or infrastructure failure as designated by the Incident Commander. Under such circumstances, the required procurement processes discussed above need not be followed. If ~~you-it is~~ determined that an emergency procurement is justified, the appropriate individual of circumstances must be notified (above \$30,000-Fire Chief, \$29,999 and less Division Chief) as soon as is practical, you must complete an Emergency Procurement Form within a reasonable time after making the procurement, attach the form to the contract and requisition entered into the Finance Software System and place it in the contract file. Emergency procurements must be approved by the Fire Chief or his designee. If the funds have not been appropriated, LFRA Board must be advised of the emergency procurement at the next regular LFRA Board meeting and request that the necessary funds be appropriated, if required.

Please note: If the Emergency Operations Center ("EOC") is open as the command center during an emergency, the Fire Chief may suspend application of this chapter. the policies and procedures set forth in the Emergency Response System Manual must be followed despite anything contained herein to the contrary. City Code 3.12.010E.

If time allows, a modified bidding/quoting process shall be followed. At least three (3) viable suppliers or contractors are contacted and given materials lists or construction specifications (although these may be somewhat primitive). It may be helpful to meet the contractors at the job site to help fill in specifications visually where none exist as drawings. The time between supplying the requirements to suppliers or contractors and the time due back to LFRA may be modified to 2-5 days instead of 14 as described above. There would be no need for an ad to appear in the newspaper or the document to be published on Rocky Mountain E-



# ADMINISTRATIVE REGULATION (AR)

**AR-00001 Procurement Regulation (City AR-00001) Effective: ~~10/22/09~~07/01/16**

Purchasing.

Appropriate Federal, State and local requirements must be followed when making purchases within the following categories to ensure reimbursement. All federal purchasing requirements must be followed, i.e.: \$3,000 threshold for receiving quotes as outlined in 44CFR.

Public Assistance Project Categories	
A	Debris Removal
B	Emergency Protective Measures
C	Roads and bridges
D	Water control facilities
E	Public buildings and contents
F	Public utilities
G	Parks, recreational, and other facilities

**Construction Manager at Risk (CMAR) Construction**

An alternative method for procuring capital construction projects could be CMAR. In this process, the construction manager (CM) acts as an advisor during pre-construction, offering schedule, budget, and constructability advice. CM develops cost estimates at the various stages of design. CM assumes the risk to deliver the project on time and within a fixed budget. This method would be best where the technical specifications are not fixed or where there is some flexibility in the design or approach to the project. The LFRA project manager manages the overall process. If using CMAR, LFRA will issue a Request for Proposals to select the CM, which will clearly indicate that any work to be performed by subcontractors will be competitively procured. Any work that the CM plans to perform will be identified in its proposal. The project manager may utilize a third party estimator to validate the pricing of any work that is not competitively procured.

**Professional, Technical, and Incidental Services (City Code 3.12.070B)**

When procuring professional, technical, or incidental services, ~~you contracts~~ may be negotiated contracts on the basis of demonstrated competence and qualifications; ~~you are not required to use any of~~ the procurement methods set forth above need not be used. However, ~~you it isare encouraged a good practice~~ to solicit proposals from professional and technical consultants using the competitive sealed proposal process to determine what consultants are available, their qualifications, and relative cost, when such proposals would be in the Loveland Fire Rescue Authorities best interests. Please note that RFPs for professional or technical services are not subject to the notice and Rocky Mountain E-Purchasing BidNet requirements applicable to other types of RFPs. In other words, ~~you may choose to send your~~ RFPs for professional or technical services may be sent to select consultants on the consultant's experience, qualifications, etc.

Definitions for "professional or technical services" and "incidental services" are set forth in LFRA Resolution #054 City Code 3.12.030.



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~~Please note: Contracts for architectural and engineering services funded in whole or part with Federal Transit Authority (“FTA”) dollars are subject to the Brooks Act (P.L. 92-582), which establishes the procurement process by which architects and engineers must be selected for design contracts with federal design and construction agencies. If your design project involves FTA dollars, please contact the City Attorney’s Office for assistance.~~

### **E. PROCUREMENT CONTRACTS**

Once ~~you’ve selected~~ a contractor has been selected, ~~you must draft~~ a contract must be drafted for signature by the contractor and the LFRA. The following is a checklist for creating and processing procurement contracts:

- Select the appropriate contract template ~~from the LFRA intranet site or use the contract document included in the ITB or RFP~~ and enter the requested information after each prompt. Save the contract to ~~your~~ the computer. Proofread ~~your~~ the contract carefully to be sure that there aren’t any substantive, spelling, or formatting errors. Don’t forget to add special conditions, construction drawings, or exhibits as called for in the contract.
- Print and deliver two originals of the contract (including all attachments and exhibits) or email to the contractor for signature and notary. Ask the contractor to return both originals ~~to you~~ along with a certificate of insurance and two original bonds (if required). If the contractor is ~~a new not listed as a vendor in the finance software system vendor~~, ask the contractor to return a W-9 form along with the required documents. Please note: the Loveland Fire Rescue Authorities standard insurance requirements may be reduced or waived by ~~the procuring department~~ LFRA following consultation with the Risk Manager. If ~~you do reduce or waive~~ insurance requirements are reduced or waived, please indicate the change in the Special Provisions section of the contract and make a note of that on the Procurement Contract Routing Form. Failure to do so may delay ~~your~~ the contract.
- Receive two originals of the contract back from the contractor. Check to see that the contractor has signed and notarized both originals and that the certificate of insurance evidences all policies required by the contract. A sample certificate of insurance is attached to the end of these Regulations ~~for your information~~. If any signatures are missing from the contract, if the certificate of insurance is incomplete, or if the necessary exhibits have not been completed and attached, return the contract originals or the certificate of insurance, as applicable, to the contractor for completion.
- Staple a copy of the certificate of insurance to the end of both originals of the contract and print and fill out the Procurement Contract Routing Form. If the contract is equal to or over \$30,000, or federal or state money is being expended for the procurement, send the Procurement Contract Routing Form and both originals of the contract to the Purchasing Division. If the contract is for less than \$30,000, send both originals of the contract and the Contract Routing Form directly to the Risk Management Division.
- Attach a copy of the certificate of insurance to the end of both originals of the contract and print and fill out the Procurement Contract Routing Form. Additionally, if the contract is greater than \$5,000 and funded by any federal or state grant money the



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- contract administrator must check to ensure the Contractor is not excluded from conducting business with the federal government. Complete instructions for this are on the LFRA intranet site, purchasing procedures. (<https://www.sam.gov/portal/public/SAM/>)
- Do not sign the contract yet. Forward completed contract, signed only by the contractor, and routing form to the Purchasing Administrator. Complete the project manager portion of the routing form before sending it.
  - The Purchasing ~~Division-Administrator~~ will review the contract to ensure that funds have been appropriated to cover the full contract amount and that bids or quotes were received, if required. ~~Additionally, the Excluded Parties List System ([www.epls.gov](http://www.epls.gov)) is reviewed and printed.~~ The Purchasing Division will then forward the contract package to the Risk Management Division.
  - The Risk Management Division will verify that the appropriate certificates of insurance are attached to the contract, then forward the contract package to the LFRA Attorney.
  - The LFRA Attorney will review and approve the contract as to legal form, then forward the contract package to the Fire Chief or his designee. ~~noted on the Contract Routing Form for signature.~~
  - The Fire Chief or his designee will sign the contract and forward the contract package to the City Clerk for attestation.
  - The City Clerk will retain and file one fully-executed original contract in the vault and return one original and the Contract Routing Form to the project manager.
  - ~~The project manager will make two copies of scan the contract -to attach to a requisition in Finance Software System for execution of a purchase order, and return the original to the Contractor. -one to forward with the Procurement Contract Routing Form to the Purchasing Division for execution of a purchase order, and one to place in the project file. The Project Manager may choose to mail or deliver one original contract to the contractor or send it to the Purchasing Division to be mailed with the purchase order.~~

For most projects, the form contracts should meet your most needs. However, if ~~you would like to make~~ changes need to be made to a form contract for ~~your a~~ particular project, contact the LFRA Attorney for approval of those changes.

### Contract Changes, Amendments, or Renewals

- Use forms approved by the LFRA Attorney and available on the LFRA intranet page associated with the proper contract type to make changes to the contract. Amendments and Renewals must be routed as contracts are above.
- Construction contract change orders must be routed to the Purchasing Administrator, the Fire Chief or his designee, and City Clerk for attestation.
- When adding more money to be paid on a contract, the additional work for which the additional payment is being made should be clarified or explained in an amended Exhibit A.



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Renewals should only be completed if the bid or quote stated the contract could be renewed and only for the period of time stated in the bid or quote.

### **F. DEALING WITH CONTRACTORS AND SUPPLIERS**

#### **Sales Calls**

Contractor and supplier sales calls are by appointment only. Do not assume that ~~your~~ coworkers have time to spend on unexpected sales visits. If a contractor or supplier representative has an appointment ~~to meet with you and~~, during that meeting, asks to speak with employees in other LFRA divisions, ask the representative to make an appointment to speak with those employees.

#### **Suspension** (~~City Code 3.12.110B~~)

Under certain circumstances, LFRA may suspend a contractor or supplier from doing business with LFRA. Suspensions may be for a period as short as six months or as long as three years. Reasons for suspension include the following:

- Documented breach or default of any LFRA contract (including failing to meet construction or delivery schedules; supplying inferior, incorrect, or defective services or supplies; attempting to change prices, performance times, or other provisions without LFRA approval; offering gifts or other compensation in exchange for LFRA business; and failing to provide adequate assurances of financial ability to meet the terms of a contract – *i.e.*, unable to secure bonding or insurance).
- Any other cause the Fire Chief determines to be so serious and compelling as to affect the ability of the contractor or supplier to perform under a contract and/or to work effectively with LFRA.

If ~~you believe~~ there is reason to suspend a particular contractor or supplier, inform ~~your a~~ supervisor. The supervisor will work with the department director and the Fire Chief to make a final determination of suspension. If, after speaking with the contractor or supplier and consulting with the LFRA Attorney, the Fire Chief decides that suspension is warranted, the Fire Chief will provide the contractor or supplier written notice of the suspension. A copy of the notice will be delivered to the Purchasing ~~Division Administrator, which who~~ will remove the contractor or supplier from LFRA vendor lists and notify all applicable LFRA divisions of the suspension.

#### **Debarment** (~~City Code 3.12.110C~~)

For more serious violations, LFRA may suspend a contractor or supplier from doing business with LFRA for an extended period of time. Such extended suspensions are known as “debarment.” LFRA may debar a contractor for any number of years between three and ten. Reasons for debarment include the following:

- Criminal conviction relating to the contractor or supplier obtaining or attempting to obtain a public or private contract or subcontract.
- Criminal conviction relating to the performance of a public or private contract or subcontract.
- Criminal conviction under state or federal law of embezzlement, theft, forgery, bribery,



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- falsification, or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor or supplier.
- Criminal conviction under state or federal antitrust statutes arising out of the submission of bids or proposals.
  - One or more suspensions by LFRA.
  - Any other cause the Fire Chief determines to be so serious and compelling as to affect the person's or entity's responsibility as a potential LFRA contractor or supplier, including suspension or debarment by another governmental entity for cause.

If ~~you believe~~ there is reason to debar a particular contractor or supplier, inform ~~your~~ a supervisor. ~~Your~~ The ~~supervisor~~ will work with Fire Chief to make a final determination of debarment. If, after speaking with the contractor or supplier and consulting with the LFRA Attorney, the Fire Chief decides that debarment is warranted, the Fire Chief will provide the contractor or supplier written notice of the debarment, the reasons for the debarment, and the length of the debarment. A copy of the notice will be delivered to the Purchasing ~~Division Administrator, which who~~ will remove the contractor or supplier from LFRA vendor lists and notify all applicable LFRA divisions of the debarment.

### **G. OBTAINING WAREHOUSE STOCK**

City Warehouse: The City Warehouse inventories various general supplies such as copy paper, ~~printer paper, letterhead, envelopes, maintenance supplies, and materials used by the utilities shop~~ towels, absorb-all, safety glasses, gloves, etc... ~~The warehouse maintains a catalog on the V: Drive under "City Info" in the "Warehouse" folder.~~ City Warehouse inventory is for the use of LFRA employees engaged in LFRA-approved operations only. Occasionally, the warehouse receives requests from LFRA employees to buy or rent warehouse inventory. The warehouse cannot sell or give away inventory items; the City is not in the retail business. Likewise, the warehouse cannot loan inventory items; City departments and LFRA employees expect to receive new items through the city warehouse, not used items that have been borrowed and returned. Please note, however, that departments may loan their traffic cones, safety vests, etc. to individuals or entities conducting local events. This is an acceptable practice that is not prohibited by these regulations. The city warehouse is open from 7:00 a.m. to 3:30 p.m., Monday through Friday, excluding designated holidays. Scheduled delivery days are Tuesdays and Thursdays.

Electronic Requisition: To generate an electronic requisition, you must have access to Innoprise Financials. The process is detailed on the City's intranet under the Finance Department section. Select Innoprise, then go to Innoprise Manual/Stock Requisition. There you will find the step by step procedure to correctly complete and submit an electronic requisition. Once the requisition has been submitted, the City Warehouse staff will withdraw the items from inventory, issue to the designated account number, and deliver to the specified location on a scheduled delivery day. A copy of the issue ticket will accompany the order.



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Returns/Exchanges: The City Warehouse staff makes every effort to ensure the accuracy of your order. However, occasionally errors do occur. In the event of an error, please contact the City Warehouse staff at 962-3362 for instructions on rectifying the problem. All returned/exchanged items must be in the original packaging and in the same condition as when issued. To obtain warehouse stock, you must do the following:

- Complete a Warehouse Requisition Form providing the following information:
  - your name (you must print and sign);
  - name of department and division making the requisition;
  - delivery location;
  - item description and complete stock number;
  - quantity ordered (use the correct unit of measurement, e.g., 2 dz., 6 ea., 10 rm.);
  - whether you will accept backorders (if not, indicate by writing "No Backorders" on the requisition form);
  - total cost (quantity ordered multiplied by the average unit cost — actual cost may vary); and
  - account number including project number, work order number, and job number if applicable, to be charged (the warehouse staff is not responsible for getting an account number).
- Send the requisition form to the warehouse via interoffice mail, fax (ext. 3401), or e-mail. Alternatively you may bring the requisition form to the warehouse and pick up your order at the same time.

Upon arrival at the warehouse, your requisition form will be date-stamped and processed. Warehouse staff will remove requested stock from the shelf, initial and date the requisition form, and assign a control number (a six-digit number beginning with zero used to sequence warehouse activities to match the computer with physical occurrences). Warehouse staff will use your requisition form to enter the transaction into the HTE Purchasing/Inventory System ("PI System") as a method of removing items from inventory via computer. Your requisition form is also used to charge your department for the inventory items ordered. When warehouse staff enters the requisition form into the PI System, an issue ticket is produced. The issue ticket is a two-part form that details your order. One part will accompany your order or it will be sent to you through inter-office mail; the other part will be filed at the warehouse with the original requisition form.

Warehouse staff will ready the items for delivery according to the regular warehouse schedule (unless otherwise agreed by warehouse staff). If applicable, back-ordered items will be delivered or available at the warehouse for pick-up when new stock arrives (the PI System automatically generates a backorder fill ticket when a backordered item is received into stock). Fill tickets are printed with the same control number (located in the "comments" box) as the original transaction. Warehouse staff will initial, date, and process the fill ticket by readying the items for delivery. One copy of the fill ticket will be sent with your order; the remaining two copies will be filed at the warehouse. Warehouse staff is responsible for receiving inventory item deliveries and makes every effort to ensure the accuracy of your order. However, errors do occur. You have two business days to verify the contents of your order once you receive it from the warehouse. If you do not report discrepancies or errors to the warehouse within this time frame,



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~~you will be responsible for resolving them.~~

~~You may return inventory items to the warehouse for credit if the items: (1) came from the warehouse; (2) are still stocked by the warehouse; and (3) are in the same condition as when they were delivered. A copy of the requisition form, issue ticket, or fill ticket must accompany the returned items. Please note on the copy the reason for the return, date of the return, and the name of the individual requesting the return. The warehouse will accommodate return requests whenever possible. Alternatively, you may exchange inventory items by returning the first item for credit and completing a new requisition form. Upon receipt of the returned item, warehouse staff will process a return issue ticket, which contains the initials of the warehouse employee responsible for processing it, the date of the return, and a control number (located in the "comments" box). A copy of the return ticket will be sent to you to be matched with the original order by control number. The original return ticket, along with any back-up data, will be filed at the warehouse.~~

LFRA Warehouse: LFRA Warehouse inventories various common supplies such as foam, small tools and other items used by various program managers. LFRA Warehouse inventory is for the use of LFRA employees engaged in LFRA-approved operations only. To request inventory, the program manager will send an email to the Warehouse program manager detailing the requested items. The program manager is responsible for picking up the inventory from the warehouse.



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### H. ORDERING AND PAYING FOR SERVICES AND SUPPLIES

#### Purchasing Cards

Loveland Fire Rescue Authority has instituted a purchasing card program. There are two types of Purchasing Cards: (a) Purchase Visa Cards; and (b) Sam's Club Discover Cards. The main purpose of purchasing cards is to simplify the requisitioning, purchasing, and payment process for small dollar transactions. The program is designed to enable employees to acquire items with relative ease while maintaining an appropriate approval and documentation process. Please remember that purchasing cards are simply a payment method; all applicable procurement methods must be followed.

#### Cardholder's Responsibilities

- Use your purchasing card in a responsible manner for business purposes only, in compliance with the City's policies as described in City Code Chapter 3.12 and these Regulations.
- For both types of purchasing cards, immediately report a lost or stolen purchasing card to the Purchasing Card Administrator (962-2308 or 962-2696) and your supervisor. If the Purchase Visa Card is lost after hours or on the weekend, call JP Morgan Chase at 1-800-270-7760. As a last resort, call the Visa national line: 1-800-VISA-911 (1-800-847-2911).
- Keep your purchasing card in a secure location accessible only to you and/or your supervisor.
- Do not loan your purchasing card to anyone or give the number to another employee.
- Adhere to any pre-approval procedures your department/division may have in place prior to proceeding with the purchase.
- Adhere to cardholder limits-single, monthly, and frequency. Purchases must not be split to circumvent purchasing limits.
- Perform the following:
  - Purchasing Visa Card – Scan all receipts and attach them to the transaction in Innoprise Financial System, ensure the account code is correct, enter a meaningful description that will assist with research in the future, Reconcile review the monthly statement and attach every receipt, and sign and date the statement, obtain your division supervisor's signature verifying the approval of expenditures and file according to department procedures. In some departments, the purchasing card department liaison may be assigned these responsibilities, yet the cardholder will need to sign each receipt and submit to the liaison. Scan the statement and save it in the purchasing card documentation folder with the appropriate card holder name. Retain statements for ~~three~~seven years.
  - Sam's Club Discover Card – Send the receipts to Administration, Accounts Payable. Sign the receipt (front, back, or attach a separate form) and obtain your division supervisor's signature verifying the approval of expenditures. Include the account number and a brief description of the purpose for the purchase. If food was purchased, a description including attendees is required.
- Handle any billing discrepancies and merchandise returns. This includes incorrect



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charges for merchandise and proper credit on your purchasing card when merchandise is returned.

- Inform vendors that Loveland Fire Rescue Authority is exempt from sales tax. The sales tax exempt number is printed on the card. [Administration The Purchasing Card Administrator](#) can fax a copy the tax exempt certificate to the vendor, or a copy of the tax exempt certificate is available online for print out. Double check the receipt prior to signing to verify sales tax is not included in the total sales price. If sales tax is charged, resolve the issue at the point of sale.
- Refunds and exchanges must be credited directly back to your purchasing card account. Do not accept cash unless that is the only option offered by the vendor.
- For the Purchasing Visa Card only, review the website PaymentNet, add notes to purchases, and enter account codes, unless these duties are assigned to administrative staff.
- Do not establish an online account or a line of credit with a vendor by using your purchasing card without prior written approval from the [Fire Chief or his designee](#) ~~Finance Director or his/her designee~~.
- Understand that statements may be audited and fully cooperate with the auditors.

### Supervisor's Responsibilities

In addition to the responsibilities listed in the prior section as a cardholder, the following responsibilities apply to a supervisor.

- Ensure that subordinates comply with their responsibilities as cardholders.
- ~~Review and approve cardholders' monthly statements and ensure that the statement is reviewed/signed by the cardholder transaction in the Innoprise Financial System and verify that the appropriate documentation for EVERY every transaction is attached. (The City Manager's Executive Assistant will be responsible for reviewing the City Manager's and City Council's activity, and the City Manager will be responsible for reviewing Department Directors' activity.)~~ [The Administrative Assistant will be responsible for reviewing the Fire Chief's activity.](#)
- Enforce purchasing card policies. Take appropriate action for any violations, up to and including card cancellation, and notify the ~~department director~~ [Administrative Director](#) and the ~~Finance Director~~ [Fire Chief](#) or his/her designee of the infraction for further action.
- Ensure that cardholders do not share cards or authorize others to use their cards.
- Notify the Purchasing Card Administrator when access to the Purchasing Visa Card website PaymentNet is unavailable, if there are operating problems, or if you have other concerns.
- Monitor the purchasing cards for unauthorized purchases by employees who are on administrative or medical leave.

### Administrative Department Director's Responsibilities

In addition to the above responsibilities of cardholders and supervisors, [the Administration Director](#) ~~department director~~ has the following additional responsibilities.



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- Maintain a list of all cardholders, their limits on the card, and their supervisors' names. Periodically compare that information with the Purchasing Card Administrator.
- Ensure that all department employees are adequately trained and informed regarding purchasing card procedures.
- Monitor noncompliance within the department and discuss violations with the Finance Director or his/her designee. Coordinate with Human Resources for appropriate disciplinary action.

### Purchasing Card Administrator's Responsibilities

- Maintain a list of all cardholders, their limits on the card, and their supervisors' names.
- Train cardholders and supervisors.
- Ensure that any increase in spending limits is approved by the supervisor and the Fire Chief~~department director or his/her designee~~. Changes in transaction limits – single, monthly, and frequency – require both supervisor and ~~department director~~Fire Chief approval.
- Research and report possible purchasing card violations to the ~~Internal Auditor~~Finance Director and the Fire Chief.
- Communicate important information and messages to cardholders.
- ~~Review this purchasing card policy and suggest changes as needed to the Finance Director and the Fire Chief or his/her designee.~~ Internal Auditor.
- Periodically perform random audits to ensure that statements are reconciled against receipts. If any receipts are unavailable, ensure a Missing Receipt Form is attached to the statement. The audit ensures that all statements are signed by the cardholder ~~and division supervisor. If the responsible supervisor is unavailable, a person at the next higher level may sign.~~

### Audit Plan

The following is the audit plan regarding purchasing card compliance:

- The Purchasing Card Administrator and ~~Internal Auditor~~Accounting Manager or their designee will randomly select employees' statements and receipts to be sent by inter-office mail to Accounting for review. Any recommendations will be relayed to the employee. Any non-compliance issues identified during the audit will be reported to the employee's immediate supervisor and ~~department director~~the Fire Chief or their designee.
- Site visits may be performed by the Purchasing Card Administrator, ~~Internal Auditor~~, or other designated Accounting personnel to discuss employee/division purchasing card procedures, review statements and receipts for compliance, and visit with the employee regarding any problems or concerns the employee may have.
- The Purchasing Card Administrator and ~~the Accounting Manager~~Internal Auditor may request that supervisors pull statements/receipts, audit for compliance, and submit a statement of findings to the requestor.
- The Purchasing Card Administrator and ~~Internal Auditor~~the Accounting Manager will review website transactions to spot sales tax, split transactions, and other infractions.



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The employee and/or supervisor will be contacted to correct or explain the item. These issues may be placed in [an internal audit a](#) non-compliance report. Individuals showing a pattern of noncompliance are subject to retraining, revocation of the purchasing card, and/or disciplinary action.

- Audits are performed on a minimum 15% of cardholders annually.

### Card Issuance

Purchasing cards are issued to Loveland Fire Rescue Authority employees ~~and City Council members~~ by the Purchasing Card Administrator at the request of the [Fire Chief, department director \(or City Manager for City Council members\)](#), and usage may be audited, restricted, and/or rescinded at any time. All issued purchasing cards are logged on the Authorized Signature Listing with the employee's name, credit limits, and supervisor. To obtain a purchasing card, the cardholder must complete a Purchasing Card Application Form, which must be signed by the supervisor and ~~department director~~[the Fire Chief](#). Before the purchasing card is issued, the applicant must attend a training session and sign a Cardholder Agreement Form. Purchasing cards will only be issued to those employees who have sufficient need in terms of frequency of making purchases to perform their job.

### Card Limits

Each cardholder will be assigned a monthly credit limit, single transaction limit, and daily transaction limit. The purchasing card will be declined at the point of sale if any of these limits have been exceeded. Do not split a purchase to avoid the single transaction limit. If the purchase will exceed the single transaction limit, ~~please discuss this with the supervisor and Purchasing Card Administrator~~[contact Administration](#) before the purchase. The Purchasing Card Administrator can increase card limits indefinitely or for a specific period of time upon receipt of an email from the ~~department director~~[Fire Chief](#) or an Account Maintenance Form approved by the supervisor and ~~the Fire Chief~~[department director](#).

### Cancellation

Cardholders who are leaving employment with the Loveland Fire Rescue Authority, either by resignation or termination, must turn in their purchasing cards prior to exiting the department. The supervisor must take appropriate action to ensure the cancellation of the card account.~~If an employee is transferring to another department, notify the Purchasing Card Administrator (962-2308). The new department director must authorize continued use of the card.~~

### Unauthorized Purchases

The following is a listing of goods and services for which purchasing card use is prohibited:

- Cash advances through bank tellers, automated teller machines, or as an addition to a merchant purchase.
- Bank-issued prepaid cards for the purchases of goods and services.
- Items from adult-natured retail stores.
- Alcohol purchase except as approved by the ~~City Manager~~[Fire Chief](#).
- Gambling activities.



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- Personal purchases and purchases not appropriate for Loveland Fire Rescue Authority use. An inadvertent personal purchase must be immediately reported to the Purchasing Card Administrator and cardholder supervisor. If possible the employee should request that the vendor move the transaction to the employee's personal account.
- Medical and health care services, such as physicals, hearing tests, massage therapists and chiropractors (these transactions have an impact on the City's IRS reporting).
- Rental or lease of land or buildings.
- Attorney services (these transactions have an impact on the City's IRS reporting).
- Vehicle fuel for personal vehicles (see the Travel Policy regarding mileage rates and rental cars).
- Meals for travel.

If an employee purchases unauthorized items, reimbursement for said purchases is due once the error is realized or within five days of receiving the statement.

### Usage

The purchasing card can be used at any merchant that accepts Visa, except as the [City Authority](#) otherwise directs (please see "Unauthorized Purchases" above). It may be used for in-store purchases as well as phone, fax, mail, or Internet orders. Procedures are established to ensure consistent practices throughout the Loveland Fire Rescue Authority. Any deviations from these procedures must be reviewed by the [Fire Chief Finance Director](#) or his/her designee before implementation. Upon issuance of the purchasing card, the purchasing card needs to be activated by calling the toll-free number printed on the label on the front of the purchasing card and signed on the reverse side.

### Tax Exemption

Purchases of tangible goods should not include sales tax. Exceptions may include lodging taxes and federal excise tax. The Loveland Fire Rescue Authority tax exempt number is imprinted on the front of the purchasing card. It is the cardholder's responsibility to ensure sales tax is not charged at the time of purchase.

### Over the Counter Purchases

- The purchasing card may be used only by the assigned cardholder. No other person is authorized to use the card.
- When a purchase is made over the counter, the cardholder shall:
  - Give the purchasing card to the merchant and inform the merchant that the transaction is tax-exempt.
  - Ensure that the merchant immediately processes the purchasing card authorization with the bank.



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- Obtain a customer copy of the charge slip, sales receipt, or any other information related to the cardholder's purchase. The documentation should include a detailed, itemized receipt that includes quantity, price per item, etc. Restaurant receipts must include an itemization of the food and beverages purchased.
- The cardholder must keep a record of the transaction. The cardholder shall obtain all approvals required for inter-department purchases.

### Telephone, Fax, and Internet Orders

- Telephone, fax, and Internet transactions to acquire goods must be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired. The cardholder must assure that a purchase order or contract is not required by either the supplier or the Loveland Fire Rescue Authority.
- The cardholder should clarify merchandise return policies and procedures prior to order placement.
- The cardholder should determine freight terms and freight payment.
- The cardholder must confirm that the merchant agrees to charge the purchasing card when shipment is made so that receipt of the merchandise may be certified on the billing statement. The order should not be placed without this assurance.
- The cardholder must provide the merchant with shipping and invoice/receipt information such as cardholder's name, cardholder's department, and Loveland Fire Rescue Authority and/or department number, street address, city, and state.
- A printed email/online confirmation can suffice for documentation of a purchase such as airfare and registrations.

### Emergency Purchases

An emergency purchase or situation is defined as an immediate need necessary for the preservation of the public peace, health, and safety ~~(see City Code Chapter 3.12)~~. During an emergency, the established limits may be altered by the Purchasing Card Administrator without department or supervisor approval.

### Documentation

- A record providing a description of the goods or services acquired with the purchasing card must be maintained for each transaction.
- The corresponding charge slips, sales receipts, packing lists, email/online confirmations or any other information related to the purchase must be scanned and attached to the transaction in the Innoprise financial software billing statements. This documentation should detail each item purchased with individual prices, total price of purchase, vendor name, date, etc.
- ~~Documentation must be retained and used to verify the cardholder's billing statement.~~

If a receipt is misplaced, lost, or not received, please follow these steps:

- Contact the vendor and request a copy of the detailed receipt.



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- If you cannot obtain a copy of the receipt from the vendor, you may call JPMorgan Chase at 1-800-270-7760 and request a copy of the receipt. Additional fees for this service will be charged to your [department program](#). Please note: if your purchase total is under \$25.00, it may not be cost-effective to call.
- ~~As a last resort, complete the Missing Receipt Form, obtain signatures from your supervisors and department heads, scan it and attach it to your purchasing card statement transaction in the Innoprise Financial System.~~

### Invoice and Payment Procedures – Cardholder Procedures

The billing statement will be mailed to the individual cardholder, designated department liaison, or cardholder supervisor. The billing statement will itemize each transaction that was charged to the cardholder's account in the billing cycle. If a cardholder has no activity for a particular billing cycle, no statement will be generated for that cardholder. The cardholder or department liaison must perform the following:

- Review the billing statement for accuracy.
- ~~Attach copies of sales receipts received at the time of purchase or credit documentation to the billing statement.~~
- ~~Sign the billing statement certifying items were purchased or returned. In some departments, cardholders may be requested to sign each receipt and submit them to their supervisors. Cardholders signing individual receipts are not required to sign the actual statement.~~
- Provide a description and purpose of transaction on the [PaymentNet website/Innoprise Financial System](#). Note: Restaurant charges must have a list of attendees on the receipt and the purpose of the meal purchase detailed [in on the PaymentNet the transaction](#) notes.
- ~~Assign accurate account codes/project numbers to each item on the PaymentNet website. Innoprise Financial System.~~
- ~~Forward the billing statement to the approving supervisor with sales documentation.~~
- The cardholder should try to resolve returns, credits, or disputed items, in some cases with the assistance of the card service provider. The cardholder should try to reach a resolution with the merchant that provided the item. ~~The cardholder has the ability to dispute items on PaymentNet, where JP Morgan Chase maintains a log of disputes and resolves issues with the merchant.~~ At no time does JP Morgan Chase assist in disputing sales tax charges. Sales tax charges should be resolved between the cardholder and merchant at the time of purchase.
- If a cardholder does not receive a statement for the month and transactions were charged to the purchasing card, contact the Purchasing Card Administrator (962-2308).

### Invoice and Payment Procedures – Supervisor Procedures



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Supervisors, because of their knowledge of the job responsibilities of cardholders, are required to:

- ~~Contact the cardholder in the event a billing statement is not received within the specified timeframe and require the billing statement to be furnished immediately.~~
- Review each cardholder's purchases and statements.
- ~~Determine if items purchased were authorized items. It is the supervisor's responsibility to resolve any outstanding issues or questions regarding cardholder purchases. If the supervisor is not satisfied that the purchase was necessary, and for official cityAuthority business use, then the cardholder must provide a credit voucher proving items(s) have been returned for credit, a personal reimbursement for the full amount of that purchase has been provided to the Administration deposited at the City Clerk's office, or, if a Payroll Deduction Authorization Form was signed during initial training, the amount will be withheld from the employee's paycheck.~~
- Verify the cardholder's signature approval of purchases ~~on the statement or, for some departments,~~ on the individual receipts.
- ~~Sign the statement. Again, in some departments, the cardholder and supervisor will be signing every receipt instead of signing the statement. The department liaison will have the statements.~~
- Maintain the statements ~~with all attachments~~ in accordance with the Loveland Fire Rescue Authority records retention schedule. Statements and attachments that may be discarded according to the schedule must be shredded; they may not be recycled or thrown away. ~~The Accounting Division will assist in this process.~~
- The department normally has ten working days from the end of the billing cycle to approve charges for its cardholders and to edit the accounting codes assigned to each purchase before the charges are ~~transferred from the PaymentNet website to the iSeries. Invoiced.~~ After ten working days, accounting entries are made to allocate the charges for the purchases made during the cycle. Any changes to account codes after accounting entries are made will have to be generated with a separate journal entry request signed by the ~~department director or supervisor~~ Administrative Director.
- Review month-end reports/activity. ~~to make sure charges from other departments were approved to be charged to your department.~~

### Purchase Orders

If you are not using your purchasing card to order and pay for items and the total cost of the order will be over \$5,000, you must obtain a purchase order in advance of ordering the item(s). To obtain a purchase order ("PO"), submit a requisition to purchase through the Finance Software System. If you need assistance using the Finance Software System, please refer to procedure manuals on the LFRA intranet site, Purchasing Procedures, or schedule a training session with LFRA Administrative staff.

Once the requisition is complete it will automatically be forwarded to the appropriate person(s) for approval.

Once the requisition is approved it will be automatically forwarded to the Purchasing Administrator to create a PO.



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The Purchasing Administrator will email the PO to the originator who will forward to the appropriate vendor contact to order the supplies/services.

A Purchase Order should only be requested when funds have been appropriated.  
~~To obtain a purchase order ("PO"), submit a requisition to purchase through the HTE system. Please use the HTE system whenever possible; if you do not have access to the HTE system, submit a requisition form to the Purchasing Division. If you need assistance using the HTE system, please schedule a training session through the Purchasing Division. Requisitions, whether submitted electronically or in paper form, must include the following information:~~  
~~complete name and address of the contractor or supplier;~~  
~~names of all other bidders or offerors and prices of each (or "no bid," if applicable);~~  
~~for contractors and suppliers who do not appear in the HTE database, you must have the vendor submit a W-9 Form to the Purchasing Department and provide an address, phone number, and fax number in the "comments" box of the requisition form before placing the order.~~  
~~if ordering supplies, a description and the quantity ordered (use the correct unit of measure, supplier's catalog number, if applicable, account(s) to be charged including project number, work order, job order, unit price, and total price);~~  
~~delivery date (the computerized system requires that you provide a date—you cannot use "ASAP");~~  
~~delivery address (if you intend to have goods delivered to the warehouse, advise the supplier to give 24-hours notice to the warehouse and be certain the supplier is aware that deliveries must arrive between 9:00 a.m. and 2:00 p.m. to allow for necessary unloading time; if you purchased technical supplies and wish to have a qualified representative from your department inspect and receive the purchase, note the person's name and phone extension on the requisition form); and~~  
~~delivery terms (place in the "comments" box—this should be "FOB destination"; if a quote is "FOB origin" or "FOB shipping point" and the merchandise becomes lost or damaged, your department will be responsible for tracing the lost shipment and paying freight damages).~~  
~~Once complete, have the requisition approved by an authorized member of your department. Send your approved requisition form to the Purchasing Division for processing. If all procurement and payment requirements have been met, the Purchasing Division will process the requisition form into a PO.~~

### Confirming Purchase Orders

~~—— If you phone an order to a supplier you must first call the Purchasing Division to obtain a PO number (this process is known as a "confirming PO"). To place a confirming PO, call the supplier with the following information: (1) item description; (2) quantity; (3) date needed; (4) price; (5) delivery terms; and (6) any other information needed or required. Be sure to provide the supplier with the PO number, which should be referenced on all shipping and billing documents. The PO number is also a useful tool for identifying the destination of packages that may be misdelivered. Finally, place the following information in the "comments" box on the form:~~  
~~PO number;~~  
~~the complete name of the individual with whom you place your order;~~  
~~the words "price quoted by" before the individual's name; and~~  
~~the date of the quote.~~

~~—— To ensure timely preparation of receiving documents and proper payment to the supplier, process~~



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the confirming PO on the same day you place your order.

### Blanket Purchase Orders

~~Loveland Fire Rescue Authority uses blanket POs (“BPOs”) to expedite the procurement of multiple items from one contractor or supplier. BPOs may be put in place for anticipated purchases of a large number of miscellaneous items to avoid interruptions in operations; when the vendor does not accept purchasing cards; or to avoid multiple small, individual purchasing documents. Purchases on BPOs must follow all purchasing guidelines and may not be used to circumvent bidding or other procurement requirements. Services and supplies costing more than \$30,000 each (i.e., per work order or per equipment order) cannot be purchased on BPOs unless specifically stated otherwise in the bid document.~~

~~Individual divisions may need to purchase a specific commodity or type of commodity on a recurring basis. In that situation, a BPO may be issued to allow frequent purchases of known items for an extended period of time. Total dollar amount and expiration date limits must be set at the time the BPO is issued. Individual releases may be made against the order until the first of the limits (either the dollar amount or the expiration date) has been reached. Change orders of total price or expiration date may be done. Unless specifically stated otherwise in the bid document, no single work order or purchase order under a BPO may exceed \$30,000 (i.e., if a project is estimated to exceed \$30,000, a separate bid must be done for that project).~~

~~If a bid or quote was done to set prices for goods or services that will be received throughout the year, the prices should be noted on the requisition in order to be noted on the BPO. If no bid or quote was done, all single orders of \$5,000 or more must follow bid/quote rules before purchase. The existence of a BPO does not override the need to follow bid/quote procedures.~~

~~Please note: BPOs not set up as Citywide BPOs are for the exclusive use of the originating department, and other departments may not use them without the permission of the procuring department’s director. An unauthorized purchase may cause the not-to-exceed dollar limit to be reached prematurely and force the originator to adjust the BPO. Instead, set up a BPO specifically for your requirements, documenting the quotes/bids of the original department as a “piggyback” or cooperative purchasing method on the requisition that you create. If several departments start “piggybacking” on a single bid, the Purchasing Department may set up a Citywide BPO the next year.~~

### Blanket Purchase Orders For Construction

~~When a list of similar tasks can be defined, but the exact amount of work and exact scope of each work order cannot be defined or varies from year to year, a department may choose to bid the similar work elements out on a unit price basis. Then as each project’s scope becomes more defined, the contractor uses previously agreed upon unit prices to determine the specific cost for each assigned project. An example of this project approach is the use of a boring contractor. The diameter of the bore and length of the bore vary from job to job, but the common work element of boring by the foot for different diameters need only be bid once. The boring contractor would then use the bid unit prices to determine the project specific costs for any type of assigned job.~~

~~Comparing the results of unit price bids by themselves does not yield a meaningful result. Therefore, it is recommended that you use a “typical project approach” in bidding and then evaluating the various contractor bids. A “typical project approach” uses previous historic records to develop a project that utilizes some but not necessarily all of the desired unit price items. The contractor is supplied specific quantities so that the proposed unit prices can be totaled for an overall “typical project cost.” The various project costs~~



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~~from each bid can be compared and an apparent low bidder selected based upon price while using other listed evaluation criteria.~~

~~The contract amount must be determined for execution of the construction contract. The contract amount should be based upon the amount of work anticipated to be completed during the period of the contract as specified in the bid. The contract amount is usually determined by averaging previous years' information to yield an anticipated total dollar amount. The available budget may also help to fix the contract amount. The bid documents should clearly state that the City does not guarantee the amount of work or payment of the not to exceed contract amount. However, because the successful bidder must bond for the contract amount it is important to predict this amount as accurately as possible.~~

~~Unless specifically stated otherwise in the bid document, no single work order under a BPO for construction may exceed \$30,000 (*i.e.*, if a project is estimated to exceed \$30,000, a separate bid must be done for that project).~~

### Citywide Blanket Purchase Orders

~~For those commodities used by several departments and for which annual usage is expected to exceed \$30,000, the Purchasing Department will assist in preparing a formal bid. Citywide purchases include items such as road base, pit materials, concrete, gasoline and diesel fuel, traffic control, cellular phone time, etc. Items ordered in this manner will be announced to each department after selections are made from periodic reviews and discussions with using departments. This notice of goods/services purchased will include successful bidder(s) and BPO number(s) if appropriate. There are times when individual departments may place individual, rather than Citywide, blanket orders against these same formal bids. When the specific notice is distributed (as discussed above), and an item is not on that notice, the purchase becomes a departmental decision, and any blanket order placed will follow the guidelines for individual departments. Citywide BPOs may not be used for capital construction, although they may be used to procure other services and supplies. In addition, no single work order under a Citywide BPO may exceed \$30,000. If a project is estimated to exceed \$30,000, a separate bid must be done for that project.~~

### Blanket Purchase Orders Receiving Form

~~For all BPOs, it is the responsibility of the department making a release and receiving goods against the order to prepare the BPO Receiving Form or sign the delivery ticket, add the appropriate account number, and forward it directly to the Accounting Division. The delivery tickets or invoice delivered with the goods may be signed and used as receiving documents instead of the receiving forms. Note the purchase order number, vendor name (if not already noted), quantity received, cost of item(s), authorized signature, and account number(s) and send it directly to the Accounting Division. Generally speaking, the warehouse does not process BPO receiving documents. Please note that the rule regarding signature authority for contracts applies to all purchases made under a blanket purchase order. See *City Code 3.12.060A* for details.~~

### Indefinite Delivery Contracts for Supplies or Services (such as CSU Fitness testing, Legal services, equipment testing, etc.):

LFRA uses Indefinite Delivery Contracts (IDCs) to expedite the procurement of multiple items from one contractor or supplier. IDCs may be put in place for anticipated purchases of a large number of miscellaneous items to avoid interruptions in operations; when the vendor does not accept purchasing cards; or to avoid multiple small, individual purchasing documents.



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Purchases on IDCs must follow all purchasing guidelines and may not be used to circumvent bidding or other procurement requirements. Services and supplies costing more than \$30,000 each (i.e., per work order or per equipment order) cannot be purchased on IDCs unless specifically stated otherwise in the bid document.

LFRA may need to purchase a specific commodity or type of commodity on a recurring basis. In that situation, an IDC may be issued to allow frequent purchases of known items for an extended period of time. Total dollar amount and expiration date limits must be set at the time the IDC is issued. Individual releases may be made against the order until the first of the limits (either the dollar amount or the expiration date) has been reached. Change orders of total price or expiration date may be done. Unless specifically stated otherwise in the bid document, no single work order or purchase order under an IDC may exceed \$30,000 (i.e., if a project is estimated to exceed \$30,000, a separate bid must be done for that project).

If a bid or quote was done to set prices for goods or services that will be received throughout the year, the prices should be noted on the requisition in order to be noted on the PO. If no bid or quote was done, all single orders of \$5,000 or more must follow bid/quote rules before purchase. The existence of an IDC does not override the need to follow bid/quote procedures.

### **Indefinite Delivery Contracts for Construction (such as boring, low voltage electrical work, installation of emergency flasher signs):**

When a list of similar tasks can be defined, but the exact amount of work and exact scope of each work order cannot be defined or varies from year to year, LFRA may choose to bid the similar work elements out on a unit price basis. Then as each project's scope becomes more defined, the contractor uses previously agreed upon unit prices to determine the specific cost for each assigned project. An example of this project approach is the use of a boring contractor. The diameter of the bore and length of the bore vary from job to job, but the common work element of boring by the foot for different diameters need only be bid once. The boring contractor would then use the bid unit prices to determine the project specific costs for any type of assigned job.

Comparing the results of unit price bids by themselves does not yield a meaningful result. Therefore, it is recommended that you use a "typical project approach" in bidding and then evaluating the various contractor bids. A "typical project approach" uses previous historic records to develop a project that utilizes some but not necessarily all of the desired unit price items. The contractor is supplied specific quantities so that the proposed unit prices can be totaled for an overall "typical project cost." The various project costs from each bid can be compared and an apparent low bidder selected based upon price while using other listed evaluation criteria.

The contract amount must be determined for execution of the construction contract. The contract amount should be based upon the amount of work anticipated to be completed during the period of the contract as specified in the bid. The contract amount is usually determined by averaging previous years' information to yield an anticipated total dollar amount. The available budget may also help to fix the contract amount. The bid documents should clearly state that LFRA does not guarantee the amount of work or payment of the not to exceed contract amount. However, because the successful bidder must bond for the contract amount it is important to predict this amount as accurately as possible.



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It should be specifically stated in the bid document that "LFRA shall have the option to bid out single large projects if it is determined to be in the best interest of LFRA."

### Pre-Payment Purchase Orders

Contractors and suppliers may request that LFRA pay for services or supplies before receiving them. As a general rule, LFRA does not issue prepayments, and ~~you should inform~~ the contractor or supplier should be informed of this policy. If the contractor or supplier insists and makes its services or supplies contingent upon prepayment, note that in the comments box of the requisition entered into the Finance Software System and process an invoice to the purchase order as soon as the purchase order is created.~~you should contact the Purchasing Division as soon as possible to request that a check be sent along with the PO. When filling out the PO requisition form, write the word "Prepayment" in the comments box. If you need to send any documentation to the contractor or supplier along with the PO (other than the check), please send it to the Purchasing Division and write the words "Documents to Accompany" in the "comments" box.~~

### Monthly/Quarterly Purchase Orders

If ~~you issue~~ monthly/quarterly payments are issued to a contractor or supplier and those payments are for the same amount from month-to-month or quarter-to-quarter, ~~you may use~~ a monthly/quarterly PO may be used. Generally speaking, monthly/quarterly POs are used to make monthly/quarterly cleaning, rent or lease payments. Under a monthly/quarterly PO, the ~~Accounting Division will encumber the entire amount to be paid under the monthly PO that year will be encumbered~~, not just the amount of the monthly payment, Accounts Payable will and automatically issue equal monthly payments (as indicated in the contract and on the PO) to the contractor or supplier on the last check writing day of every month.

Purchases made with LFRA issued credit cards must also follow all purchasing regulations, see Procurement Card Regulation for detail.

### Field Purchase Orders

~~You may use field purchase orders:~~

- ~~● To make payments of up to \$4,999 that cannot be paid with the City's VISA card;~~
- ~~● To issue refunds to customers, performers, or instructors;~~
- ~~● To pay subscriptions fees, dues to professional organizations, and registration fees for conferences and meetings that do not require a travel request form (see the City's Travel Policy for specific details);~~
- ~~● To reimburse employees for eligible expenses (e.g., mileage, clothing allowance, tuition) over the \$100 petty cash amount; and~~
- ~~● Any other transaction that cannot be entered into the purchase order system (a field purchase order is entered on the HTE system).~~

~~If you already have an invoice or reimbursement request signed by a person with the signature authority to make the purchase you can enter the information by following these steps:~~



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- ~~1. On the Purchasing/Inventory Main Menu, select "Field Purchase Order Menu," then "Field Purchase Order Entry."~~
- ~~2. Use the "Add FPO" function.~~
- ~~3. At the top of the screen will be an FPO number. Record that number on the top left corner of the invoice or reimbursement request.~~
- ~~4. Complete the following fields:
 
  - ~~o Remarks – Type the reason for the FPO.~~
  - ~~o Received by – Type the name of the person who received the items on the FPO.~~~~
- ~~5. Use the "Prompt" function in the GM vendor # field.~~
- ~~6. Select the vendor you want to work with. If the vendor is not set up in the HTE system, request the vendor to submit a W-9 Form to the Purchasing Department before placing the order.~~
- ~~7. Please note: all dates must be the same date as the date you are entering the FPO.~~
- ~~8. Complete the following fields for each transaction associated with the FPO:
 
  - ~~o Account number – Indicate the account number to which you want to charge the FPO items.~~
  - ~~o Project – Indicate the project, if any, for which the FPO items are being ordered.~~
  - ~~o Amount – Type the amount that you want to charge to the account number.~~
  - ~~o Transaction description – Type an explanation of the FPO payment transaction you are working with.~~~~
- ~~9. Click "OK" or press "Enter."~~
- ~~10. Click "OK" or press "Enter."
 
  - ~~o Saves the new FPO.~~
  - ~~o Increments the number in the Field PO number field by 1.~~
  - ~~o Clears all the other fields except the "Date" and "Assigned Users" fields.~~~~

If you are sending an individual to the vendor location to purchase items, you can reserve a field purchase order as follows:

- ~~1. On the Purchasing/Inventory Main Menu, select "Field Purchase Order Menu," then select "Field Purchase Order Entry."~~
- ~~2. Use the "Add FPO" function.~~
- ~~3. Write down the FPO number that displays in the "Field PO Number" field.~~
- ~~4. Use the "Reserve FPO#" function.~~
- ~~5. Use the "Exit" function.~~
- ~~6. When you have all the information necessary to complete the FPO, complete the FPO by going to "Field Purchase Order Maintenance" and typing the field purchase order number in the "Position To" field, hit "Enter," tab down to the correct FPO # and hit "Enter," and complete the FPO as described in steps 4-11 above. Please note: the invoice must be approved by the appropriate person.~~

Follow these steps to print an FPO:

- ~~1. On the Purchasing/Inventory Main Menu, select "Field Purchase Order Menu," then select "Field Purchase Order Inquiry."~~



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- ~~2. Use the "Print" option for the FPO you want to print. Result: PI sends the FPO to the printer.~~
- ~~3. Do you want to print another FPO? If yes, repeat step 2; if no, use the "Exit" function.~~

### **Purchase Order Change Orders**

In most cases, changes to a PO (e.g., price, quantity, freight charges, account number(s), or cancellation) must be submitted to the Purchasing Administrator ~~reflected~~ on a Change Order Form. ~~Exceptions include price changes of less than \$10 and freight charges of less than \$25.~~ All change orders must be approved and signed by the authorized employee (please see "PURCHASING AUTHORITY – Change Orders," above). Change orders must be sent to the Purchasing ~~Division Administrator~~ via email for processing. The Purchasing ~~Division Administrator~~ will update the documentation and encumber the additional amounts, if applicable.

If ~~your~~ the specifications allow for overruns or over-shipments, ~~you~~ they will most likely ~~receive them~~ occur. Generally speaking, ~~you should not accept~~ quantities should not be accepted above what ~~you was~~ specifically ordered. Advise the supplier that it must retrieve overruns and over-shipments by a certain date or LFRA will dispose of them without compensation to the supplier. However, in those few cases where keeping extra quantities is more efficient than returning them (e.g., supplies used on a regular basis, and low-cost supplies that are worth less than return shipping), ~~you may decide~~ the decision may be made to retain them. However, this should not be a routine practice.

### **Expediting Open Purchase Orders**

Although some suppliers acknowledge receipt of POs, most do not. To confirm receipt, follow-up on late-arriving supplies, or expedite delivery, ~~you should do~~ the following should be done:

- Call the supplier and state that you are inquiring about the status of PO#\_\_\_\_\_.
- Ask for the date and method of shipment. If the shipment is en route, request a carrier tracking number (*i.e.*, air way bill or pro number). If the supplier states that the supplies were shipped on a particular date and from a particular location, ask the supplier to follow-up with the shipper to ensure that the supplies were shipped on time.
- Document the name, date of shipment, method of shipment, quantity shipped, and any other relevant information on the green copy of the PO for future reference.
- If the supplies are late and are necessary to maintain your department's operations and you believe the delay is detrimental to LFRA efficiency, productivity, or safety, request that the supplier ship them via a faster method (e.g., air freight) at the supplier's expense. Do not make such requests unless ~~you feel~~ it is absolutely necessary under the circumstances.

### **Receiving Process**

~~See the Procedure manual for the Finance Software System for receiving processes. The Purchasing Division will send a copy of the PO to the department responsible for receiving the supplies (please note — the warehouse will receive inventory items only). Upon acceptance of the~~



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~~supplies, the receiving department must date and sign the bottom portion of the copy, noting the following as applicable:~~

~~If all supplies ordered are received at the same time, note "all items received."~~

~~If only a portion of the supplies ordered are received, note the item number(s), date received, quantity received, and item(s) and/or quantity due. Make a photocopy of the PO and send it to the Accounting Division for partial payment to the supplier.~~

~~Once the remaining items have been received, note the items number(s), date received, and quantity received. Highlight the remaining items received directly on the copy and write "purchase order complete." Send the copy to the Accounting Division for final payment to the supplier.~~

### Petty Cash

~~You may use p~~Petty cash may be used to pay for items and other incidentals (e.g., mileage reimbursements, parking reimbursements) that cost up to \$100. The Finance Director or his/her designee must authorize any exception to the \$100 limit. Review the Petty Cash Administrative Regulation [LFR Resolution #054, Section 6.a] [~~AR-00007~~] for further guidance.

## I. ACCOUNTS PAYABLE PAYMENT PROCEDURES

### How and When Payment Requests Are Processed

The City pays bills each Friday, four times a month. In any month with five Fridays, checks will only be processed four times. As a general rule, checks are mailed to suppliers on Friday afternoons. In order to have a check mailed on a Friday, Invoices must be processed through the Finance Software System~~PO receiving reports, invoices, etc. must be routed to the Accounting Division~~ before 5:00 p.m. on Tuesday. Exceptions to this schedule are holiday schedules and year-end activities. The Accounting Division will notify departments when the check-writing schedule will be affected. All checks are mailed to the vendor address in the Finance Software on the HTE~~System~~. No checks will be held for vendor pick-up. Checks may be returned to the receiving department only for performances (the Rialto Theater and the Museum), progress payments on contracts, legal matters, or C.O.D. deliveries. The Accounting Division will match the information provided on receiving reports to the invoices and statements from suppliers. ~~Payments on POs are authorized when the total price difference is \$10 or less. Freight charges will be paid for up to \$25 without requiring a change order.~~ The Accounting Division strives to pay contractors and suppliers on or before the due date. ~~Your a~~Attention to ~~receiving reports~~, change orders, and disputes with contractors and suppliers will help ensure prompt payment and continued good relations.

### Invoice Processing When a Purchase Order Has Been Issued

Once a requisition has been approved thru the Finance Software System and a purchase order issued, the person receiving the goods should sign on the invoice as ok to pay, note the date, (this can be done electronically on a pdf), and enter the invoice into the Finance Software System using the instructions in the Finance Software Procedure Manual on the intranet or forward the invoice to the person designated in that department to process invoices.

### Invoice Processing Without a Purchase Order



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You may process an invoice without a purchase order in the Finance Software System:

- To make payments of up to \$4,999 that cannot be paid with the LFRA VISA card;
- To issue refunds to customers, performers, or instructors;
- To pay subscriptions fees, dues to professional organizations, and registration fees for conferences and meetings that do not require a travel request form (see LFRA's Travel Policy for specific details); and
- To reimburse employees for eligible expenses (e.g., mileage, clothing allowance, tuition) over the \$100 petty cash amount.

To process an invoice, follow the instructions in the Finance Software Procedure Manual.

Please note: If you need a check outside the normal check writing schedule you must submit an Interim Check Form contact Accounts Payable. All check request payment procedures must be followed for interim check requests.

### Progress Payments and Final Settlement

For a detailed discussion of these procedures from a project management perspective, please see Section K Construction Projects \$30,000+ ("Capital Projects") "Project Close-Out," below.

### Sales and Use Taxes

LFRA is exempt from sales and use tax on purchases of supplies and equipment. When procuring services and supplies, inform contractors and suppliers of LFRA tax-exempt status and provide them with LFRA tax-exempt number (found on the front of the purchasing card – if you do not have a purchasing card, contact LFRA Administration to obtain the number). If sales tax is charged in error, you must contact the contractor or supplier to arrange for reimbursement. For the contractor to use LFRA's tax exempt status on construction projects the contractor must apply for an exemption through the State of Colorado at <http://www.colorado.gov/cs/Satellite/Revenue/RE VX/1211274804099>.

## **J. RECEIVING, INSPECTING, AND ACCEPTING/REJECTING SUPPLIES**

### Receiving Supplies

In most cases, you will be asked to sign receiving documentation upon receipt of the supplies. When signing such documentation, you should write the following on the face of the document "Subject to inspection" or "Except for concealed damages, if any." These phrases permit you a reasonable time in which to inspect the supplies and allow you some recourse in the event your the shipment is incorrect. Please note that Material Safety Data Sheets must accompany all items requiring MSDS documentation.

### Inspecting and Accepting or Rejecting Supplies

You should inspect the supplies as soon as possible after receiving them. Supplies that do not comply with specifications stated on the PO may be accepted "as is" or rejected and returned to the supplier. If you it is discovered ed that the supplies are nonconforming (*i.e.*, not



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correct, defective, damaged, or otherwise not to specification), ~~you should~~ document the nonconformance along with the date discovered. Many suppliers' shipping documents state that discrepancies or damages must be reported within a specific number of days. Some suppliers may refuse to accept returned goods or assess additional charges if ~~you fail to not~~ reported ed them in a timely manner.

Occasionally, a supplier may ship substitute items rather than those specifically ordered (e.g., those made by a different manufacturer or which vary in shape, color, or size from those ordered). If ~~you approve~~ substitute items are approved, notify ~~your a~~ supervisor and the Purchasing Division Administrator. If the ~~Purchasing Divisionsupervisor~~ approves the substitution, ~~it they~~ will note the substitute information on the face of the PO (in the "comments" box) indicating that the substitution is approved.

-If ~~you decide to return the~~ supplies are returned, ~~you must do~~ the following must be done:

- Contact the Accounting Division to inform ~~it them~~ of the return to ensure that the invoice is not paid.
- Contact the supplier to advise ~~it them~~ of the return and the reason for the return.
- Obtain a return shipment address; ask the supplier if ~~it they~~ will allow freight collect return or reimburse LFRA for return shipping charges.
- Ask the supplier if a return authorization ("RA") or return material authorization ("RMA") number is required. If it is, write the number on all return documentation. If the supplier requires a verbal authorization only, ask for the full name of the person granting the return authorization and write it on the return documentation.
- Reach an agreement with the supplier as to disposition of the order (e.g., the supplier will credit LFRA account; the supplier will issue a check if invoice has been paid; the supplier will replace the item(s) and provide a shipment date). Document the name and title of the person who makes this agreement ~~with you~~.
- ~~If you prefer to have the warehouse ship the return, you fill out a packing list with the following information: (1) information obtained via steps 3 — 5 above; (2) your department's freight account number; (3) the amount of insurance (if required); and (4) the method of shipment (if known). Send the original packing list and one copy to the warehouse along with the item(s) to be returned. Retain an additional copy of the packing list until the requested disposition has been effected.~~
- Notify the Purchasing Division Administrator of the disposition and forward ~~it~~ a copy of the packing list.
- If the supplier has agreed to ship replacement items, the original PO will remain open and the receiving and payment process continues. If the original PO is to be canceled or changed, ~~you must~~ issue a change order that notes the disposition of items returned.

### Equipment Returns and Repairs

~~You should f~~ollow the same process outlined above for returning equipment or sending it out for repair. If ~~you are~~ sending the equipment out for repair, ~~you must~~ obtain a PO number *before* doing so, leaving the amount blank. Once the repair company provides ~~you~~ an acceptable



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quote, ~~you can~~ fill out the PO amount and send the PO to the Purchasing ~~Division Administrator~~ for processing.

### **K. CONSTRUCTION PROJECTS \$30,000+ (“CAPITAL PROJECTS”)**

This section is designed to standardize the contracting, documentation, and reporting procedures used for construction projects of \$30,000 or more (“capital projects”).\* Each capital project is assigned a project manager responsible for overseeing the project from preliminary planning to project close-out. If you are a project manager, you must be familiar with the following information.

*\*Note: capital projects do not include power aid-to-construction projects.*

#### **Preliminary Planning**

##### Define the project scope and identify needed resources

Define the project scope and identify needed resources. In doing so, you should consider all project components (e.g., property acquisition, environmental and community impacts, utility relocations, traffic control, construction of earthworks, pipelines, roads, bridge structures, buildings, etc.). If you need to hire a consultant to assist you, see “PROCUREMENT METHODS – Professional, Technical, and Incidental Services,” above.

Compliance with environmental laws and regulations is mandatory – ~~you they~~ cannot ~~be~~ ignored ~~them~~ due to lack of time or money. Therefore, it is important ~~that you to~~ take time to consider environmental impacts before starting work on ~~your the~~ project. If ~~you don't not, you may find that your~~ failure to do so costs LFRA time and/or money above and beyond what might otherwise have been required (e.g., if ~~you it is discovered you need that~~ a permit ~~is needed~~ two weeks before ~~you plan to begin~~ construction ~~is planned to begin~~, ~~your the~~ project may be delayed for an extended period of time until the permit can be obtained, causing project costs to skyrocket as contractors and engineers stand idle). Consult the Environmental Compliance Administrator (“ECA”) in the Risk Management Division for assistance with environmental issues. Be prepared to discuss how the project meets the requirements and guidance given in the Environmental Planning Guide (See Risk Management on Intranet).

Community impacts can also be significant. ~~As project manager, it~~ is the project manager's ~~your~~ responsibility to verify compliance with appropriate zoning and building codes, master plans, local ordinances, and federal and state regulations regarding public health and the environment. Establish contacts with the appropriate planning board, commission, or regulatory agencies in order to ~~be~~ informed ~~ed yourself~~ of community needs and desires and to strategize about meeting project requirements in terms of environmental and community impacts. If the project is located outside City limits, ~~you should~~ initiate coordination with the governing county agency.

It is important to inform appropriate City departments of the capital project. Other departments may be scheduling projects with which they could coordinate to save time and money. Using the Planning Department’s Concept Review Team (“CRT”) or Design Review Team (“DRT”) process is one way of accomplishing this. Consult with the City’s Current Planning Manager to determine which process should be followed. Generally, in either process, a set number of plans are submitted to the Planning Department, which then circulates the plans to all City departments and specified outside review agencies. In the CRT process, the comments are



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shared at an informal, scheduled meeting. In the DRT process, written review comments are gathered back to the Planning Department and compiled into a written document that is shared at a scheduled DRT meeting. There are specific scheduling and submittal requirements for both the CRT and DRT processes; consult with the Planning Department early in the preliminary planning phase to ensure that they are met.

### Estimate the project cost

Make or obtain a preliminary project cost estimate that takes all project components into consideration. Keep in mind that preliminary project cost estimates must factor in the 1% contribution to the arts required by City Code Chapter 12.60.

### Identify and obtain project funding

Work with the Division Chief, project sponsor, and the Administrative Director to identify specific funding sources. Funds may be obtained in one of two ways:

- Through the annual budgeting process - ~~You may obtain~~ funding may be obtained by including ~~your the~~ project in the ~~department's~~ annual budget request, which is submitted to the LFRA Board for approval in October of each year. This is the procedure followed for most capital projects. To include ~~your the~~ project in the ~~department's~~ annual budget request, ~~you should~~ complete preliminary planning by May 1<sup>st</sup> of the year prior to the year in which ~~you wish to begin~~ the project is anticipated to begin. For example, if construction should begin in March 2017, complete preliminary planning by May 1, 2016 for LFRA Board's approval in October 2016.
- Through a special request to the LFRA Board- If preliminary planning you are unable to cannot be completed ~~your preliminary planning~~ in time for the annual budget, ~~you may~~ submit a special request to the LFRA Board at any time requesting that the LFRA Board approve additional funds through a supplemental appropriation, or reallocate funds previously appropriated.

If ~~you intend to utilize~~ state or federal funds will be utilized, ~~you must~~ make sure any required LFRA matching funds are budgeted and available to satisfy the conditions of the outside funding source and follow any additional procurement procedures applicable to those funds (e.g., insurance requirements, submit bid or contract documents to the funding source for review and approval, etc.).

### Obtain a project number

Project numbers allow LFRA to track capital project costs in detail, from beginning to end. Obtain a Project Number from the Accounting Division ~~for projects budgeted to equal or exceed \$250,000. For projects with a budget of less than \$250,000, contact the Accounting Division to obtain a project number.~~

### Obtain site approvals and permits



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The project may require a number of special permits from local, state, or federal agencies. ~~As project manager, it~~ is the project manager's ~~your~~ responsibility to find out what permits or approvals are required and initiate the necessary applications and reports. As mentioned above, many permits must be in place *before* a project can commence, and most require ~~that you pay~~ a fee to obtain them.\*Consult the ECA for assistance with the permitting process. The ECA may be able to negotiate permit conditions on LFRA's behalf. If ~~you plan to have~~ a consultant will obtain required environmental permits, the ECA will verify that the appropriate permits have been obtained. While it may be true that a consultant may be responsible should it fail to obtain the appropriate permits, ultimately it is LFRA responsibility to ensure that it complies with environmental laws and regulations.

\*Note: unless otherwise agreed, LFRA is responsible for permit fees, not the Risk Management Division.

### Prepare a project timeline

~~Your~~The project timeline should be based on a breakdown of the project into its various phases. These phases should include preliminary planning, technical design, bidding and contracting, construction, and project completion and evaluation ("project close-out"). ~~Your~~The timeline should also indicate when critical decision points will be reached.

### Prepare a feasibility report

Prepare a feasibility report listing recommendations and possible alternatives and identifying preliminary costs. Attend LFRA Board study sessions and commission meetings during which the project might be discussed as determined by a supervisor.

### **Design Phase**

#### Select and hire a consultant

If appropriate, select and hire a consultant to assist ~~you~~ with the project design. If you need to hire a consultant, see the section on "Professional Service Agreements," above. You may decide to retain the same consultant used in the preliminary planning phase or hire a different one. If the same consultant is retained for multiple phases of the project (feasibility studies, preliminary planning, design, and construction management) one agreement (contract) shall be written with amendments written for each phase as needed. Note that all amendments which affect the contract price are subject to the change order rule set forth in LFRA Resolution #054 Section 6.a. Section 3.12.060(B) of the City Code. Alternatively, you may decide to rely on LFRA and City personnel to perform this work. Whether you decide to hire a consultant or perform the work in-house, you are responsible for reviewing the design work done to ensure that it meets LFRA's project needs.

#### Further define community and environmental impacts

Finalize plans for any necessary environmental permitting or work. You are encouraged to involve the public in your project planning (through public hearings or otherwise); a project that has community support will generally be more successful than one that does not.



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### Prepare preliminary design and document plans

“Preliminary design and document plans” generally include the following:

- 30% complete construction drawings;
- Draft Invitation for Bid or Request for Proposal;
- Land acquisition plans;
- Utility relocation plans;
- Identification of long-term lead items that may affect the project schedule; and
- 30% project cost estimate.

If, based on the preliminary cost estimate, it appears that insufficient funds are available to complete the project; you should seek additional funds from the Fire chief or LFRA Board (if not available in the department’s budget). If alternative funds cannot be found, you must suspend and reprogram the project for the next budget year.

### Acquire rights to land, if necessary

Determine whether you will need access to land and by what means – fee title ownership, easement, etc. If you do, you must obtain the following: (1) legal description of the parcel; (2) survey of the parcel; and (3) appraisal of the parcel. For assistance with real property acquisitions, whether fee title ownership or easement, please contact the LFRA Attorney.

### Notify ~~other appropriate~~ City departments and outside utility companies

If you haven’t already done so, you should notify ~~other appropriate~~ City departments of the project. This is best accomplished through the Planning Department’s DRT process.

### Receive necessary approvals

Meet all City, utility company, state, and federal permitting and coordination requirements. Complete mitigation plans, if necessary, and make any needed final project design changes to incorporate comments received from the various departments, agencies, and utility companies. If you’ve asked a consultant to pull permits on behalf of LFRA, obtain a copy of each permit and review the permit requirements. As noted above, the ECA is available to assist ~~you with your~~ the review of environmental permits and requirements and recommend compliance strategies.

### Prepare the final design and bid documents

Complete the final project design, technical specifications, and construction drawings. Be sure that the concerns of all reviewing departments, agencies, and utility companies are taken into account and addressed in the final design and bid documents. Finalize the Final Design Report.

### Complete a final cost estimate and project schedule

Once the final design and bid documents are completed, a final project cost should be developed and checked against available funding. If available funding is sufficient, the project is ready for the bidding phase. If available funding is insufficient, the project must be held until funding can be identified and secured. State law and ~~the~~ City Code prohibit bidding and awarding a project that is not fully funded. Prepare a final project schedule that identifies major project



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elements and milestones.

### Verify available funding

Update cash flow projections with the assistance of the Administrative Director. Relate the final project schedule to anticipated capital expenditures to determine when costs will be incurred (this is known as a “cost timeline”). Match outside revenue sources or future appropriations to the cost timeline to confirm that funding will be available when needed. ~~A contingency fund of approximately 10% of the total project cost should be included in the project budget.~~

### **Bid Phase**

See section on “PROCUREMENT METHODS – Competitive Sealed Bids and Competitive Sealed Proposals (\$30,000+),” above.

### Award Phase

~~If the contract award is \$499,999 or LFRA may award the contract to the lowest responsive, responsible bidder whose bid meets the requirements and criteria set forth in the ITB. If the Fire Chief believes that LFRA’s interests will be better served by accepting a higher bid, he/she may decide to accept the higher bid, provided that decision, and the justification for the decision, is set forth in writing and forward to Purchasing for retention according to LFRA’s retention policy.~~

~~If the contract award is greater than \$500,000 it must be submitted for approval to the LFRA Board.~~

~~Contract and award amount shall be bid amount only, no contingency or force account added to the contract amount.~~

### **Construction Phase**

#### Schedule and hold a pre-construction meeting

As project manager, you are responsible for scheduling and holding a pre-construction meeting. Attendees should include representatives of the contractor, subcontractors, suppliers, utility companies, and other LFRA divisions, as appropriate. At the pre-construction meeting, the representatives should provide you with the following: (1) a list of construction personnel and their project authority; (2) supplier information including mix designs; (3) material safety data sheets (“MSDS”); (4) copies of required construction permits; and (5) a construction schedule. You, in turn, should provide them with the following: (1) an agenda that includes a list of LFRA personnel and their project authority ~~(including contract signature authority of each of these individuals)~~; (2) a list of materials to be provided by LFRA; (3) information about the timing of progress payments; and (4) information about the change order process.

#### Issue the Notice to Proceed

Once the contracts have been executed by LFRA and you’ve held the pre-construction meeting, you may issue the Notice to Proceed authorizing the contractor to begin construction on the project.



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### Notify the community and utility companies that the project has begun

As project manager, you are responsible for ensuring that affected property owners and utility companies are notified that the project has begun. Be sure that notice is provided well enough in advance to allow those affected so they have adequate time to prepare. Notice can be given by one or more of the following methods: personal contact; door hangers; notices in the local paper; radio announcements; notices on message boards; and notices on LFRA web page.

### Prepare the construction site

Before construction begins, the construction site should be photographed and videotaped to document the project. You may also need to place signs on or near the site notifying the public of the construction project as well as the estimated duration of the project.

A City of Loveland Erosion Control Permit must be obtained, approved and in place prior to start of construction or issuance of Building Permit (might need a State of Colorado Stormwater Manage Plan, "SWMP"). All erosion control device, Best Management Practices (BMP's) must be in place prior to start of construction.

### Track the project

Project tracking is extremely important. Tracking is used to pay the contractor, settle potential disputes, and identify warranty periods. How you track the project in terms of documentation depends on how the project is financed; there are specific rules for documentation if federal or state money is being expended. Regardless of how your project is funded, documentation should include the following:

- Daily logs and quantity tracking - Daily logs and quantity tracking may be contained in one document. This documentation should contain information about what activity transpired and personnel and equipment used. It may also include the number of hours utilized, material type, quantity installed, and a list of any changes or problems that were encountered.
- Daily field reports - This is an informal report that may be done in any format you feel is most useful (a format commonly used is the diary format). The form of the report is less important than the content, as the information in this report is the basis for most of the other reports generated. Typical information included in this report would be inspections conducted, receiving reports obtained, conversations (topic and with whom), weather conditions, number of workers present, and other information pertaining to measurement of project completion.
- ~~Field change reports - Once a project begins, it may be necessary to change certain job details and specifications that have no impact on overall contract requirements, schedules, or costs. These changes should be documented on Field Change Reports and placed in the project management folder. These reports are necessary to maintain communication between the City and the contractor.~~
- Weekly, semi-monthly, or monthly reviews - These reviews are for the project manager and the Finance Department contact person. The time frame for these reviews depends on specific project requirements and the overall scope of the project. Projects that have a construction phase of more than three months must be reviewed on a



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monthly basis. Projects that have a construction phases of less than three months may be reviewed on a semi-monthly basis. If needed, the project may be reviewed on a weekly basis. The project manager, department director, Accounting Division, Purchasing ~~Division~~Administrator, or the Fire Chief may decide that a weekly review is needed.

- **Progress payments** - Progress payments should be scheduled at the pre-construction meeting. Progress payments are usually made once a month from project start to project close-out. The form to be completed and submitted by the contractor, along with the name of the contractor and LFRA representatives responsible for this task, should also be determined at the pre-construction meeting. For more information, please see "issue progress payments," below.

### **Changes in Work**

#### Defined Terms:

- Field Order: A written order issued by LFRA that which requires minor changes in the work but does not change the contract price or the contract times.
- Change Proposal: A written request from LFRA, its assigned designee, or the contractor seeking an adjustment in contract price or the contract time for modifications to the work. This is not a Change Order for authorization to proceed with the work as described. This is an instrument to document a proposed change to the work and negotiate the costs prior to authorization to commence work. This could be email communication or other writing.
- Critical Change Directive: A written directive to the Contractor from LFRA, or its assigned designee, ordering an addition, deletion, or revision in the work. The changed work is to commence promptly prior to agreeing to the changes on Contract Price and/or Contract Time. The Critical Change Directive will be incorporated into an official Change Order once price and time adjustments have been negotiated. A Critical Change Directive will be used due to differing or unforeseen conditions or a time sensitive situation, e.g. an emergency where work stoppage would occur if immediate direction is not given to the Contractor and work stoppage would harm the project or LFRA.
- Change Order: A document signed by LFRA and Contractor that authorizes an addition, deletion, or revision in the work or an adjustment in the Contract Price or the Contract Times, or other revision to the Contract, issued on or after the Effective Date of the Contract. This is the documentation of the negotiated change proposal or critical change directive. Changes to the work that are less than \$9,999 may be approved by the Division Chief.
- Monthly Change Order Report: A monthly document of all changes: field orders, change order, and any critical change directives if applicable.
- ~~Field change orders - The following rules regarding who may sign field change orders apply to all construction contracts under \$1,000,000. Signature authority for field change orders to construction contracts of \$1,000,000 and above will be established at the time of contract by the City Manager in his/her sole discretion.~~



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- ~~Cumulative field change orders < 10% of original contract price:~~ Project managers are authorized to sign individual field change orders of up to \$9,999. Individual field change orders of \$10,000 or more must be approved in advance by the department director.
- ~~Cumulative field change orders = 10% or more of original contract price:~~ Once the total of all field change orders equals or exceed 10% of the original contract price, all subsequent field change orders, regardless of amount, must be approved in advance by the City Manager.

~~Please note: the change order rule set forth in "PURCHASING AUTHORITY" above, is not altered by the above-stated rules, or any set by the City Manager for construction contracts of \$1,000,000 or more. City council approval is still required for change orders to contracts of \$500,000 or more that, when combined with all previous change orders, equal or exceed 20% of the original contract price. No field change order shall be issued that causes the contract amount to be increased above the limits of the City Manager's authority to sign change orders.~~

- ~~City Council status reports (capital projects \$250,000+)~~ - Status reports to City Council for capital projects must be prepared quarterly once costs/encumbrances meet or exceed \$250,000. This report must contain information on all project activity through the last day of the previous month. Inactive projects must only be reported annually unless the project has already been reported quarterly, in which case the project should continue to be reported quarterly, even though it is inactive.
- ~~Test results~~ - Testing frequency and results must be kept to ensure the Loveland Fire Rescue Authority is receiving the same materials specified in the bid. In addition, test information is useful for future reference should warranty problems arise.
- ~~Project acceptance~~ - Project acceptance contains two components: initial acceptance and final acceptance. Initial acceptance is implied when items are paid. Final acceptance is part of the project close-out process.

### Procedure for Changes in Work:

#### Signature Authority:

- The following rules regarding who may sign Change Orders and Critical Change Directives (collectively work changes) apply to all construction contracts
  - Individual work changes of \$9,999 and less may be signed by the Division Chief so long as the total of all cumulative work changes < 10% of original contract price. Individual work changes above \$10,000 must be signed by the Fire Chief.
  - Cumulative work changes = 10% or more of original contract price: Once the cumulative total of all work changes equals ten percent of the original contract price, all subsequent work changes, regardless of amount, must be approved by the Fire Chief unless the total contract amount (including all work changes) is within the Division Chief authorized signature authority.



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- Any work change > 20% bringing the total contract amount including all change orders equal to or greater than \$500,000 MUST be approved by the LFRA Board.
- Field Order (FO) - When a project requires a Field Order, as defined above, it should be documented on a Field Order form, included in the contract documents, or provided by the Purchasing Administrator. Field Orders are to be placed in the project management folder and included in the monthly reports. These reports are necessary to maintain communication between LFRA and the Contractor if changes are significant or worth noting.
- Change Proposal (CP) – LFRA may, in anticipation of ordering an addition, deletion, or revision to the Work, request Contractor to prepare a detailed proposal of cost and times to perform contemplated change. Contractor may anticipate an addition, deletion or revision to the Work and provide a detailed cost proposal and include any change to Work schedules or times to LFRA. Change Proposal shall include reference number for tracking purposes and detailed description of and reason for proposed change, and such additional information as appropriate and required for Contractor to accurately estimate cost and time impact on Project. No changes should proceed until the Change Proposal is accepted and incorporated into a Change Order and signed by LFRA and the Contractor. (Use Change Proposal and Change Order forms on the LFRA intranet site).
- Critical Change Directive (CCP) - A Critical Change Directive (CCD) is typically issued to direct the Contractor to proceed promptly with Work outside the original project scope related to differing or unforeseen conditions. The Project Manager may sign a CCD authorizing the work to be done with only estimated prices, not a firm fixed price for the work. LFRA and Contractor will negotiate the price and/or the contract times as soon as is possible after the CCD is initiated by the parties. Because there is no fixed firm price for the work, this mode of changing contract work shall be used only in emergencies when work stoppage would occur if immediate direction is not given to the Contractor. The Project Manager shall notify the Division Chief as soon as is practical in writing of any CCD issued to a Contractor and include an explanation of the emergency or critical situation justifying the CCD.

### Contract Change Orders

- Regardless of the amount of the contract, work changes approved and signed by an authorized LFRA representative must be formulated into a contract change order not less frequently than once per month prior to submittal of progress payment request to Accounting. All change orders will be put together into the monthly change order report once per month.



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- The contract change report shall be submitted through the contract routing process similar to the original contract, without going to Risk Management or LFRA Attorney.
- Contract change orders <10% of original contract price: Division Chief is authorized to sign individual contract change orders so long as the cumulative total of all contract change order is less than ten percent of the contract price.
- Cumulative contract change orders = 10% or more of original contract price: Once the cumulative total of all contract change orders equals ten percent of the original contract price, all subsequent contract change orders, regardless of amount, must be approved by the Fire Chief unless the total contract amount (including all work change orders) is within the Division Chief's authorized signature authority.
- Any contract change order > 20%, when the total contract amount including all change orders equals \$500,000 or more, MUST be approved by the LFRA Board.

### Issue progress payments

Progress payments are made as the work progresses, but no more frequently than monthly, provided the contractor is performing satisfactorily under the contract. Date of payment must be designated within the specifications for the project or mutually agreed upon between the LFRA and the contractor. Payments will be based upon progress estimates agreed on by LFRA and the contractor, the value of work performed, materials placed in accordance with the contract, and the value of the materials on hand. You should rely on the detailed construction schedule provided by the contractor during the pre-construction meeting to assist you in evaluating the contractor's progress. Drawings, specifications, and quantities installed may also be used as progress indicators. Verify quantities installed on a periodic basis to correlate the construction schedule with the work actually being performed. The estimated cost of repairing, replacing, or rebuilding any part of the work or replacing materials which do not conform to the drawings and specifications will be deducted from the estimated value.

Retainage must be held on construction projects of ~~\$50~~100,000 or more. Unless otherwise required by special funding sources (federal grants, state grants, etc.), retainage must be held at a rate of ~~105~~5% of each progress payments ~~until 5% of the total contract price is reached, at which time the Loveland Fire Rescue Authority stops holding retainage on each progress payment~~ If the contract exceeds \$100,000 due to change orders, retainage will not be required. Retainage only applies if the original contract amount is over \$100,000. \*If, however, any change order increases the contract price, 5% of the change order amount will be held on the next progress payment. The Accounting Division will hold retainage until the contract is completed satisfactorily and finally accepted by LFRA and you submit a final payment form (available on the LFRA intranet site) to you authorize the Accounting Division to release it to the contractor (this is known as "final settlement").  
**City Code 3.12.150.**

*~~\*Note: for all blanket construction contracts of \$50,000 or more, retainage must be held on each and every project/work order at a rate of 5% of each invoice submitted under the contract.~~*



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You may pay the contractor for material ~~on-hand~~purchased by the Contractor, provided all of the following are true:

- The material has been fabricated or processed, conforms to the requirements of the contract, and is ready for installation into the project. The contractor must provide LFRA with a monthly accounting, invoices, and proof that stockpiled material conforms to the requirements of the contract. The monthly accounting must include the specific information regarding the location of materials and amounts stockpiled.
- The material is to be stored on the project site, ~~City~~property used in conduct of LFRA business, or other acceptable, secure location. If the material isn't going to be stored on ~~City~~property used in conduct of LFRA business, the contractor must provide a document signed by the owner and lessee of the property establishing that LFRA has a vested interest in, and the right of access to and possession of, the material. The material must be clearly identified for LFRA's project.
- The contractor provides LFRA with a written cost analysis confirming that the balance of funds in the corresponding items is sufficient to complete the installation. Progress payments cannot exceed the contract unit price for the item or the invoice cost of the stockpiled material, whichever is less.

You cannot authorize payment for living plant materials, perishable materials, or materials that will not become an integral part of the finished project. Payment for stockpiled material does not relieve the contractor of responsibility for loss of or damage to the material.

### Coordinate with the Finance Department to obtain project cost accounting

Coordinate with the Finance Department to obtain historic and up-to-date project cost information. The Finance Department captures and tracks project costs using the Finance Software System ~~HTE~~-Project Module. It is important to note that this system relies on your use of the assigned project number on all project documentation.

### **Project Close Out**

Project acceptance - Project acceptance contains two components: Substantial Completion and Final Acceptance. Substantial Completion implies that the project or particular facility is ready to go into service for its intended use. Final acceptance is when all work is done including any punch list items, and LFRA is ready to release retainage.

Once the project is substantially complete, you should begin the final stage of project administration. This is known as "project close-out." During project close-out, you must do the following:

~~Once the project is substantially complete, you should begin the final stage of project administration. This is known as "project close-out." During project close-out, you must do the following:~~

### Conduct a final inspection

Conduct a final inspection to verify that all aspects of the project have been completed by



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the contractor in accordance with the contract documents. During the final inspection, you must confirm that no outstanding claims exist between LFRA and the contractor. Disagreements between LFRA and the contractor regarding deviations from specifications, drawings, or other contract terms should be resolved at this time.

### Prepare a cost schedule

Final project costs and breakdown schedules will be compared with original project estimates. Evaluate the reason(s) for any significant deviation from the original schedules. Make certain change orders have been completed for all changes made to original schedule of work to final schedule of work.

### Document the construction site

You may wish to photograph and videotape the construction site and obtain as-built drawings and electronic project files.

### Request delivery of documents required under the contract

Request that the contractor deliver all documents required under the contract (e.g., "as-built" construction drawings, operations and maintenance manuals, equipment manufacturer catalogs, and warranty documents).

Before final acceptance of the work by LFRA, the Contractor may be required to submit to LFRA a notarized and sworn affidavit stating that all subcontractors, vendors, persons, or firms who have furnished labor or materials for the work have been fully paid and that any applicable taxes have been paid.

### Publish a Notice of Final Settlement

In compliance with LFRA Resolution #054, Section 6.a retainage shall be held until the contract is completed satisfactorily and finally accepted by LFRA. Once you are satisfied that no outstanding project issues exist, prepare a Notice of Final Settlement (retainage release) for publication in the Loveland Reporter-Herald using the Final Settlement Form available on the LFRA Intranet site.. As a public entity, LFRA is required to advertise that it intends to return retainage to the contractor. This gives subcontractors, suppliers, and others who supplied labor and/or materials an opportunity to notify LFRA that a payment issue exists. After you complete the Final Settlement Form, submit it electronically. The form is then automatically forwarded to the City Clerk's Office and Accounts Payable. The City Clerk's Office will arrange for publication. You must submit the Final Settlement Form to the City Clerk's Office at least seven-three days prior to the first advertisement date. The notice must be published two times at least ten days prior to the date set for final settlement with at least one of the advertisements appearing on a Saturday, and the two advertisements must be at least three days apart. If the dates need to change, the City Clerk's Office will contact the project manager and Accounts Payable. If the City Clerk's Office receives notice of any claims, the City Clerk's office will send an email to the project manager, the Purchasing Division Administrator, Accounts Payable, and the LFRA Attorney. If the



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City Clerk's Office received no notices of claims within the statutory time period, the City Clerk's Office will notify Accounts Payable and retainage will be released on the next normal check writing. Note that State statute requires payment of retainage to contractor within sixty (60) days of final acceptance of project. ~~retainage will be released on the next normal check writing.~~

Request delivery of documents required under the contract

~~Request that the contractor deliver all documents required under the contract (e.g., "as-built" construction drawings, operations and maintenance manuals, equipment manufacturer catalogs, and warranty documents).~~

Make recommendations regarding future projects, if applicable

Make any recommendation(s) you feel are warranted regarding solutions to problems that arose during the project that might be prevented on future projects.

Evaluate the quality of the work performed by the contractor (and consultant)

Evaluate the responsiveness and quality of the work performed by the contractor and consultant, if applicable, using an Evaluation Form. The Evaluation Form captures information about final project costs, change order history, and job performance and rates the effectiveness of the contractor/consultant. As such, it can serve as an evaluation tool for future bid awards on other LFRA projects.

Check files for completeness

Gather all of the contractor documentation and LFRA-generated reports, notebooks, and files (including electronic files). This information must be organized, stored, and retained in accordance with LFRA record retention schedule.

Conduct the warranty inspection

Project Manager shall schedule warranty inspections with the Contractor 18 months after final acceptance of work. LFRA follows the warranty procedures set forth in Chapter 24 of the Larimer County Urban Area Street Standards and standards set forth in applicable LFRA approved standards.

Release Performance and Payment Bonds

Bonds must be released two years following final settlement, or as otherwise specified in the contract documents.



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## L. FORMS INDEX

These forms can be found on the City Intranet site: <http://sharepoint/Finance/default.aspx>

- ~~Blanket Purchase Order Receiving Form~~
- ~~Breakdown Schedule Form~~
- ~~Capital Construction Bid Procedures Checklist~~
- ~~Capital Project Checklist~~
- ~~Certificate of Insurance (example)~~
- ~~Change Order Form~~
- ~~Close Out Report~~
- ~~Contractor Request for Payment Form~~
- ~~Environmental Planning Guide~~
- ~~Expense Reimbursement & Petty Cash Voucher~~
- ~~Field Change Report~~
- ~~Freight Terms (Free On Board)~~
- ~~General Bid Procedures Checklist~~
- ~~General Terms and Conditions~~
- ~~Informal Quote Requisition Form~~
- ~~Interim Check Form~~
- ~~Invitation to Bid Packet~~
- ~~Missing Receipt Form~~
- ~~National Institute of Governmental Purchasing~~
- ~~Notice of Award~~
- ~~Notice of Intent to Award~~
- ~~Procurement Contract Routing Form~~
- ~~Project Evaluation Form~~
- ~~Purchase Order Requisition~~
- ~~Purchase Requisition Form~~
- ~~Purchasing Card Application~~
- ~~Request for Quote Form~~
- ~~Retainage Release Form~~
- ~~Signature Authority Form~~
- ~~Status Report to Council~~
- ~~Warehouse Requisition Form~~



# ADMINISTRATIVE REGULATION (AR)

~~AR-00052~~ Capital Assets (City AR-00052)

Effective: ~~0107~~/01/2016

## I. SCOPE:

This Administrative Regulation applies to all LFRA ~~departments and all LFRA~~ employees including Regular full-time, Regular part-time, Temporary, Seasonal and Reserves/Volunteers.

## II. PURPOSE:

The Administrative Regulation ensures that all LFRA ~~departments and~~ employees are complying with the Generally Accepted Accounting Principles and with the Government Finance Officers Association as it relates to the recording, maintaining, and review of Capital Assets.

## III. DEFINITIONS:

- Distributed throughout the Administrative Regulation.

## IV. POLICY:

Capital Assets as defined throughout the document must report to LFRA Administration who will report to Accounting to record the asset in accordance with Generally Accepted Accounting Principles. Section VII of this Regulation includes all policy and procedure requirements.

## Basis For Mandate:

- Generally Accepted Accounting Principles
- Government Finance Officers Association
- Internal Governance

## V. OTHER RELATED REGULATIONS & PROCEDURES:

AR-00004 LFRA Resolution #054 Section 6.a Procurement Regulation Effective: ~~10/22/2009~~01/01/2016

## VI. LOVELAND FIRE RESCUE AUTHORITY FIRE CHIEF SIGNATURE:

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Mark Miller, Fire Chief



# ADMINISTRATIVE REGULATION (AR)

~~AR-0052~~ Capital Assets (City AR-00052) Effective: ~~0107~~/01/2016

## VII. PROCEDURE:

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~~AR-00052~~ Capital Assets (City AR-00052)

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## Definition

As defined under paragraph 19 of the Governmental Accounting Standards Board Statement No. 34 [Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments](#) (GASB 34), the term **capital assets** includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. A capital item with a value of \$5,000 on a unit basis is considered a capital asset; however, some items below the threshold are used in groups and are capitalized as groups of assets. **Infrastructure assets** are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years. Examples of infrastructure assets include ~~roads, bridges, tunnels, drainage systems, water and sewer systems, dams~~ fire stations, training facilities, and lighting systems.

## General Policy Regarding Initial Recording of Capital Assets

Capital assets will be reported at historical cost, which equals the purchase price (net of discount if applicable) plus taxes, fees, assumed liens, clearing or demolition, installation, freight, assembly, special fittings and all incidental expenses necessary until it is ready for intended or final use. The cost of a capital asset also includes ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition—such as freight and transportation charges, site preparation costs, and professional fees. ~~LFRA will continue to capitalize interest during the construction/development phase for Enterprise Fund Capital Assets only (As described in FASB GASB Statement Nos. 34 and 62 Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements).~~ Donated capital assets will be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any. [Assets cannot be purchased by multiple funds and tracked as assets in multiple funds. Ownership must reside in one fund, with the other fund\(s\) paying a one-time fee for the use of the asset. The one-time fee must be paid using the interdepartmental funds transfer form found on the accounting intranet page.](#)

The Accounting Division reserves the right to capitalize certain items not specifically listed in this policy when determined that the item is material and is directly related to a capital project.

## Types of Capital Assets

### Land

Shall include all land, lakes and detention basins with defined boundaries where the LFRA has title of ownership or rights thereto by law. Acquired land is recorded at the purchase price plus additional costs such as legal and recording fees, surveying fees, appraisal and negotiation fees, assumed liens, demolition or clearing costs, damage payments and land/site improvements that ready land for its intended use and produce



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permanent benefits. Examples of land/site improvements are excavation; fill and grading; removal, relocation, or reconstruction of property of others, such as railroads and telephone and power lines; and the construction of retaining walls. If land and building are acquired as a single parcel, the value of the land should be determined separately from the building and recorded as land. Donated land or land that is obtained by means other than purchase is recorded at fair-market value based on appraisal at time of acquisition.

### Easements & Land Rights

Any interest or land rights in any land or property not owned by the LFRA that entitles the holder to a specific use or enjoyment (right to use the land).

### Improvements Other than Buildings

Expenditures that do not produce permanent benefits including, but not limited to, landscaping, towers, tanks, wells, fences, retaining walls, surface parking lots, parking decks, parking garages, lighting, points of access or driveways, irrigation systems, general signage, pedestrian bridges, paved paths, and fountains, ~~athletic fields, golf courses, tennis courts, basketball courts, trails and swimming pools.~~

### Buildings

Includes all roofed and walled structures built for permanent use. Any temporary structures built for use, as temporary shelter during repair or construction shall be part of the cost of repair or construction. Buildings are valued at the purchase price or construction cost. Cost should include all charges applicable to the building (i.e., broker's fees, architect's fees, etc.). Building expansions will be classified as buildings. Donated buildings should be inventoried at the appraised fair market value including permanently attached fixtures at the time the building was donated. Capital Improvement Fund acquisitions are inventoried when substantially all construction costs are paid. Prior to this time, capital improvement costs are accumulated as construction-in-progress.

### Building Improvements

Any expenditure that will increase the value of the building, expand the total square footage of the building, extend its useful life or cause a material change in the building's efficiency or function will be capitalized, however subject to threshold requirements set forth in this policy. The condition of the property unit after the costs are incurred must be improved as compared with the condition of that property when originally constructed. That is, cost associated with activities that serve merely to restore the property unit to its originally constructed operating condition should not be capitalized, but rather should be expensed as incurred.

Improvements shall include but not be limited to sprinkler systems, HVAC systems, electrical systems, roofing, elevators, and bringing a building to ADA compliance. Similar expenditures that would not increase the value, efficiency or change the function of the building or do not meet the capitalization threshold amount will be considered a regular repair and maintenance expense.



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~~Financial Accounting Standards Board (FASB)~~ Statement No. ~~3462~~, "Capitalization of Interest", requires the capitalization of material interest charges incurred when constructing a capital asset or preparing it for its intended use. Interest should be capitalized for the period from the first outlay (expenditure) for the asset until the asset is completed and ready for its intended use. ~~FASB GASB Statement No. 62, "Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants,"~~ states if the asset is financed by tax-exempt borrowing, the capitalization period runs from the date of the borrowing until the asset has been completed and is ready for its intended use. The amount of interest to be capitalized is the difference between the interest cost of the tax-exempt borrowing and the amount of interest earned through investment of the borrowed proceeds during the capitalization period.

## Vehicles

Includes all motorized conveyance, such as apparatus, cars, pickups, motorcycles, vans, light, medium and heavy duty trucks. All trailers, without exception, should be classified as vehicles; light or heavy duty categories, according to GVWR (Gross Vehicle Rate Weighting). All vehicles shall be recorded at purchase price plus all incidental "make-ready" costs, which may include add-on equipment, freight or any specialized lighting or assembly before it is ready for its intended use. Donated or confiscated vehicles will be valued at fair market value at the time of donation or confiscation. **Vehicles** are separated into two categories: *Light Duty and Heavy Duty*.

- a) *Light duty* trucks and passenger vehicles are any vehicle with GVWR of 10,000 lb. or less, including cars, SUV's, vans and trucks, etc.
- b) *Heavy duty* vehicles are any vehicle with GVWR of 10,001 lb. or greater, including trucks, trailers, etc.

## Machinery and Equipment

Includes all motorized construction equipment, tractors, slow moving and specialized implements, towed devices, watercraft, turf maintenance, apparatus or instruments mechanically, electrically or manually operated for the purpose of production, service, maintenance or repair. Machinery and equipment will be classified into three categories:

- a) *Light Machinery & Equipment* - Weighing 10,000 lbs. or less, including road repair and construction equipment, small tractors, golf/turf equipment, athletic/recreational equipment, medical/health equipment, police/fire equipment, mowers and building maintenance equipment.
- b) *Heavy Machinery & Equipment* - Weighing 10,001 lbs. or more, including road repair/maintenance and large construction equipment, large tractors.
- c) Hand Tools and Test Instruments - which includes but not limited to hand tools, gauges, printing equipment, meters or devices used for measurement or diagnostics including clinical equipment and are easily transportable by a single individual and are above the \$5,000 capital threshold.



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### Equipment under Capital Lease

In accordance with [FASB-GASB Statement No. 1362](#), any non-cancelable lease agreement which meets one or more of the following criteria should be capitalized:

1. The lease transfers ownership of the property to the LFRA at the end of the term of the lease.
2. The lease contains a bargain purchase option. A bargain exists where the cost of acquisition is less than market value.
3. The lease term is equal to 75% or more of the estimated economic life of the leased asset.
4. The present value of the minimum lease payments equals or exceeds 90% of the fair value of the leased asset.

When none of the criteria for a capital lease are met, the lease is an operating lease. If operating leases are material, a note disclosure must be made in the notes to the financial statements.

If a capital asset is acquired under a capital lease arrangement, the capitalized asset must be identified in the same manner as purchased assets and categorized consistent with purchased assets. Lease agreements must be analyzed by LFRA with consultation with the City Finance Department and its liability determined at the inception of the lease agreement, based on the computed present value of the future minimum lease payments. The capital asset should be capitalized based upon the same determination, as of the date originally placed in service. If no interest rate is stated in the lease, the rate applied should be the rate used by the LFRA for one-year notes. The present value of the amounts owed by the LFRA or the City for future lease payments will be used as the capitalized value. Records shall be kept documenting the decision and its basis.

### Office Furniture, Fixtures & Equipment

Include computers and software (including monitor & accessory), copiers, telephone system, audio/video equipment; will be classified under Office Equipment. Tables, chairs, cabinets, desks, partitions and the like will be classified as Office Furniture & Fixtures.

### Works of Art, Historical Treasures and Collections

Works of art and historical treasures shall include but are not limited to paintings, sculptures or monuments, artifacts and other works of arts or items of cultural value or interest intended to be preserved, kept or protected for the purpose of public exhibition, education, research or furtherance of public service. Depreciation is not required for collections or works of arts that are inexhaustible. Collections shall include but are not limited to library books, periodicals and electronic media.

### Intangible Assets



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Governmental Accounting Standards Board Statement No. 51 [Accounting and Financial Reporting for Intangible Assets](#) (GASB 51) was issued in June 2007 to define reporting requirements for intangible assets. According to GASB 51, intangible assets lack physical substance, are non-financial in nature, and have an initial useful life extending beyond a single reporting period.

- a) *Internal-Use Computer Software* – Costs associated with the preliminary project stage will be expensed as incurred. Such costs could include the conceptual formulation of alternatives, the evaluation of alternatives, the determination of existence of needed technology, and the final selection of alternatives. In addition, all training and data conversion costs will be expensed as incurred, with the exception of payroll data conversion costs, which will be capitalized. Unless data conversion is an activity of the application development stage only to the extent it is determined to be necessary to make the computer software operational. Costs eligible for capitalization will include external direct costs of material and services consumed in developing or obtaining internal-use software, payroll and payroll-related costs devoted directly to the project, and interest cost incurred during development. Examples of such costs include those associated with the design of a chosen path (including software configuration and software interfaces), coding, installation of hardware, and testing (including the parallel processing phase). Upgrades and enhancements should be capitalized only to the extent that they increase the functionality of the product. Capitalization will occur only after the preliminary project stage is complete. Preliminary project stage costs are expenses as incurred. Likewise, capitalization is appropriate only if LFRA in consultation with City management has authorized and committed to funding the project, and it is considered probable that the project will be completed and put to its intended use. The capitalization of costs related to internal-use software should cease once testing is complete.
- b) *Easements & Land Rights* – Any interest or land rights in any land or property not owned by the LFRA that entitles the holder to a specific use or enjoyment (right to use the land).
- c) *Water Rights* – A group of rights designed to protect the use and enjoyment of water that travels in streams, rivers, lakes and ponds, gathers on the surface of the earth, or collects underground.
- d) *Other Intangible Assets* – Examples include but are not limited to certain licenses, permits, copyrights and patents.

### Construction in Progress (CIP)

All expenditures or cash outlay for capital projects or projects anticipated to meet the requirements of capital assets or infrastructure shall be recorded as construction in progress where all costs are accumulated until the project is ready for its intended use. Once projects are substantially ready for their intended use, the appropriate capital asset should be recorded accordingly and CIP should be reversed. Amounts included in CIP should not be depreciated.



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### General Provisions

#### Materials and Supplies

Inventories of materials and supplies to be consumed in the normal course of LFRA's operations are not Capital Assets. If material in amount, Inventories of Materials and Supplies should be included on LFRA's (consolidated in the City's) statement of net assets but are not intended to be accounted for on the capital asset system.

#### Labor

In any circumstance not aforementioned, employee labor costs shall be assigned to the total cost of improvements where applicable.

#### Grouping Assets

Individual treatment should be given to all assets, whenever feasible and practical when they are recorded on the capital asset system.

Consideration will be given to grouping assets where the asset cost or value individually does not meet capitalization criteria, but does when grouped and/or where the assets are capable of being used together, are connected and not intended to be dislocated or used individually. Examples of such grouped assets may include but are not limited to: collection of chairs in the training center, radios, and SCBA's.

Standard descriptions should be used whenever possible to maintain consistency and indicate the comparability among assets.

#### Componentization

The rationale behind componentization is that not all components of a fixed asset that has been acquired have the same useful life and furthermore, they may wear down or depreciate at different rates throughout their life. Therefore, it is appropriate under the accounting "matching principle", to depreciate each significant component separately over its useful life. Some examples of components are HVAC systems and roofing.

### Valuing and Costing

Generally, capital assets are valued at historical cost. There are, however, different ways to compute historical cost depending on the method in which the asset is obtained.

Sources of historical cost data can include: invoices, purchase orders, canceled checks, vouchers, contracts, board minutes, general ledger records, real estate closing documents, tax assessment records, grant records, asset records, maintenance records, price lists, vendors, appraiser's libraries back-trend multipliers, etc.

Sources of reproduction/standard cost data can include: manufacturer's price list, catalogs and quotations, distributor's and supply company catalogs, industry publications (i.e., Engineering News Record) magazines, director's and trade journals, consulting, cost engineering, cost estimating manuals and handbooks (Handy Whitman Guide), technical service companies and organizations appraiser's libraries.



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In any situation where an item is selected from an asset listing of items for inclusion in a Capital Asset Project, the cost of the item shall be determined using a Last In First Out method.

### Amortization of Fleet

Annual contributions to a fleet replacement fund will be made for all rolling stock/apparatus and marine equipment purchased based on calculating a straight line depreciation value applied to an estimate of the replacement value (Acquisition value x Cumulative inflation to the replacement year based on the service life in Table 1 of this policy.). Salvage value shall be retained in the Fleet Replacement fund to assist with inaccurate estimates of replacement value.

### Purchases

All purchased Capital Assets shall be reported at the actual cost of purchase, supported by payment records. Each purchase of a Capital Asset shall be identified with a Capital Asset Number as soon as the item has been shipped and accepted at LFRA.

### Group Purchases

If several dissimilar assets are purchased for a lump sum, the total amount paid should be allocated to each individual asset on the basis of its fair market value (FMV). The allocation is accomplished by use of the equation:

$$\text{ASSET Y} = (\text{TOTAL COST OF ASSETS}) \times \frac{\text{FMV of Y}}{\text{TOTAL FMV}}$$

If the fair market value of Asset Y is \$750, the fair market value of the total group is \$4,000, and the lump sum cost of the total group is \$3,500, the cost assigned to Asset Y is calculated as follows:

$$3,500 \times \frac{750}{4,000} = 3,500 \times .19 = 665 \quad \text{Thus, the cost assigned to Asset Y is \$665.}$$

### Transfers

A transfer of property between LFRA programs is merely a change in location, division/program responsible, etc. A transfer of an asset, with no monetary consideration involved, is a capital contribution valued in the receiving fund's asset listing at its historical value. Transfer of an asset shall not change the original cost or right to receive funds upon liquidation. An item shall remain in the asset listing of the original department until a transfer is fully documented. The intent is to ensure that the location of the asset is always current in the capital asset records.

Transfers shall be documented and recorded on the respective inventories of the Transferor and Transferee departments at the time of transfer using the Disposal/Transfer form.



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## Loaned Property

Property cannot be loaned for personal use. Personal use of LFRA property is defined as Theft. The employee using the property is responsible for any damage and/or loss. Refer to the appropriate LFRA Administrative Regulation for policy and disciplinary procedures.

## LFRA Constructed Property

Property manufactured, constructed, fabricated or otherwise produced by a LFRA division/program for use within LFRA must be given a value based upon the component costs including labor and materials. The property must also be included in the asset listing of the department using the unit if it meets the capitalization criteria.

## Used Equipment

When LFRA acquires used equipment, the following requirements must be adhered to:

- The division/program must specify "used equipment" on the requisition as appropriate.
- The acquisition cost, as noted on the invoice(s), will determine original cost value.

## Donations

Donations of assets can occur as gifts from individuals or organizations. Valuation of these assets should be established based on the fair market value on the date of the gift. Donations should be accompanied by a verified invoice (or copy) as the preferred method to substantiate value. Where such documentation is not available, LFRA shall devise a method of capturing and keeping information relevant to valuation and assigning a value. The documentation shall be retained subject to the records retention schedule in the LFRA Administration Office.

## Grant Property

Operating units receiving federal program property or property purchased subject to a Grant agreement must place in their asset listing all items acquired, consistent with the program capitalization requirements. Adequate records must be maintained for assets acquired or constructed from grant funds and made available for audit. Adequate controls must be maintained for ongoing accountability of grant-funded assets. [An inventory must be performed on all grant property at least once every two years.](#)

Transfers to other use and dispositions must meet the requirements of the Grant Agency and must be reported. [If the assets are to be disposed this must be reported to the Federal Government and may need to be returned to them.](#)

These requirements are further explained in the following publications that details capital asset federal grant regulations:

[OMB Circular...Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards](#)

[A-87: Cost Principles for State, Local, and Indian Tribal Governments](#)

[A-102: Grants and Cooperative Agreements with State and Local Governments](#)



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## ~~A-133: Audits of States, Local Governments, and Non-Profit Organizations~~

Refer to the grant management administrative regulation for managing the funds that serve as a source for assets purchased with grant funds.

### Exchange or Trade-Ins

Exchange or trade-ins of capital assets sometimes take place in the course of asset acquisitions. When this occurs, the capital asset property records are updated to reflect the capital assets exchanged or traded-in for new assets. Accordingly, a line of detail reflecting the trade in should appear on the Purchase Order and the Invoice. The value of the new asset is calculated as the trade-in or exchange value allowed for the new asset, plus any cash paid. The capitalized cost of the new asset is not to exceed its fair market value. LFRA must determine Fair Market Value.

LFRA must note all relevant information regarding exchanges or trade-ins of capital assets on the related requisitions or purchase orders and communicate said detail to the Administrative Division in the asset reporting process and at the time the capital asset disposals and acquisitions are reported.

### Asset Impairment

GASB [Statement No. 42 Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries \(GASB 42\)](#) requires capital assets that are impaired or potentially impaired should be properly accounted for. The five most common indicators of potential impairment as defined by GASB 42 are listed below.

- a) Evidence of physical damage to the capital asset that requires repair efforts to restore the asset's service utility.
- b) Enactment or approval of laws or regulations, or other changes in environmental factors, that limit or curtail the use of the capital asset because the asset does not meet and cannot be modified to meet the requirements of the new laws or regulations.
- c) Technological development or evidence of obsolescence resulting in the capital asset being used much less frequently, or not at all.
- d) A change in the way an asset is used or in the length of time it was expected to be used.
- e) A permanent construction stoppage prior to the completion of an asset.

Per GASB 42, Impairment losses appropriately reported as program expense generally should be reported as a direct expense of the program that uses or used the impaired capital asset. Impairment loss should be reported as indicated regardless of whether the capital asset is being depreciated individually or as part of a composite group.

Impairment losses should be reported in accordance with the guidance in paragraphs 41 through 46, 55, 56, 101, and 102 of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, ~~and paragraphs 19 through 24 of Accounting Principles Board Opinion No. 30, Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and~~



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~~Transactions-GASB 62~~ The book value of land, building, and equipment will be removed from the accounting system when sold or eliminated from LFRA assets.

### Cash Discounts

Assets should be recorded net of any quantity or trade discounts received. The asset is recorded at a cost equal to the amount of cash paid, not the gross amount of the invoice. When a capital asset is purchased subject to a cash discount and the discount is taken, it should be considered a reduction in the purchase price of the asset. If the discount is not taken, the asset can be recorded at either the gross or net amount.

### Trade-Ins

When an existing asset is traded-in allowing for the reduction in the cost of the new asset, the value of the new asset should be recorded at an amount equal to the book value of the asset that was surrendered plus any additional monetary consideration provided to the seller. (For example: if LFRA paid \$27,000 in cash for a vehicle and traded-in an existing vehicle with a value of \$2,000 then the new asset is recorded at \$29,000.)

### Replacement Cost

Replacement cost refers to the amount needed to replace the original asset under current construction methods, or at labor and overhead allowances. This basis of cost may be used for insurance coverage. LFRA divisions/programs are responsible for contacting the LFRA Administration Division for all asset changes or significant changes in replacement value within the industry. The list is maintained in LFRA Administration and is used by the Administrative Director for the election of insurance coverage.

Acceptable proof of loss data is to be maintained in order for recoveries to be made more easily. It is the responsibility for the program coordinator and the appropriate Battalion Chief to collect and maintain all data connected with damaged or lost capital assets and report this information to the Administrative Director.

## **Physical Inventory of Capital Assets**

### Physical Count of Capital Assets

A physical count of capital assets is necessary for accountability and control. It confirms the reliability (or lack of reliability) that can be placed on the capital asset account system by verifying the actual existence of the items represented by the capital asset records. The physical count validates the capital asset records and complies with audit and legal (federal, state, grant, Council, local) standards.

A physical count of all capital assets will occur over a three-year cycle as approved by LFRA's external auditors. At the end of the three-year cycle, all capital assets will be fully counted. Appendix A is a three year schedule specifying each department that has capital assets and the year in which the division/program will have a complete physical count. If there are departments or funds that have assets that were purchased with Federal funds (grant, stimulus, awards, etc.) these assets are to be counted per grant



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requirements. Physical counts are costly and time consuming, and must be planned around LFRA's existing resources.

When performing a physical count, the asset register which is generated or downloaded from the accounting system/fixed asset module is used as the guide to ensure that all assets on the system reconcile to the physical asset located. This reconciliation of assets is completed by the Administration Division. The Administration Division will designate the resources to complete the physical count. When performing a physical count, the count should be made of all capital assets at each location before completing a single area. Advance notice of the physical count is acceptable, but not necessary.

The physical count is documented as it takes place, using the asset register from the system as a checklist. The asset register already includes the tag number, asset type, asset description, and associated cost and book value. The designated staff member will check-off on the register the asset when physically located. The designated accountant will verify the asset tag and description of the asset. Additionally, the designated staff member will try to verify the serial number or vehicle numbers if applicable and document the numbers on the asset register. The designated staff member needs to also look for assets that may not be on the asset register and document those for further research. Once the physical count has been completed, the designated staff member must sign-off on the asset register as evidence of the physical count.

Following the physical count, researching and/or verifying the asset may be needed to ensure that the assets are properly documented. Verification on the system includes verifying the asset location, class codes, fund accounts, grouped assets, and buildings. If large discrepancies are noted, it is important to address those with the Administrative Director. It is important to follow-up on any discrepancies so the remediation steps can occur to correct the discrepancy. Steps to remediate the discrepancy will occur in two steps; (a) correcting the system and (b) review of internal controls to insure all purchases and disposals are recorded accurately.

### Tagging Capital Assets

Tags should be selected and placed on the assets so that they are not easily removed or destroyed by asset use. All tags used by LFRA shall contain LFRA's name. The Administrative Director and/or their designee shall obtain and issue tags.

The numerical designation appearing on the tags will be a simple series of numbers which are assigned to assets in order, without regard for type of asset and location. The use of a unique number allows each asset to carry the assigned number throughout its entire life, regardless of its location. Once a disposition has occurred, the number is also retired.

Tag placement should be in an area where the number can be identified and without disturbing the operation of the asset and which allows for easy periodic inventory taking. Items, which cannot be tagged, shall be so noted on the Asset listing and the division shall keep the tag until the disposal of the asset.

Tag numbers and the maintenance of tagging assets should be by a designated individual within LFRA.



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## Acquisitions

New assets that are acquired by LFRA must be reported immediately to the Administrative Director or their designee using the prescribed capital asset forms, and promptly recorded on the appropriate asset listing. The Asset Addition form is also located on the Intranet, under Finance/Accounting. This information should be provided at the time the asset is received and approved for payment.

The Administrative Director should also be alert for capital assets which appear to have been purchased out of inappropriate expenditure codes and which the interface of the capital asset system may not otherwise capture. Program Managers and their supervisor should be notified if using incorrect codes and adjustments made if necessary.

## Disposal

The LFRA's capital assets are retired through several means, including sale, trade-in, auction (physical or electronic), employee only sealed bid sale, and loss by theft. All disposals by any means must be reported to the Administrative Director using the prescribed capital asset disposal forms. The Administrative Director should also periodically review any relevant revenue codes (such as "sale of fixed assets") to search out potential disposals. Any acquisitions involving a trade-in should also be thoroughly reviewed to properly record the disposal of the net asset relinquished.

If an asset is disposed through the sale at an auction, the Administrative Director or their designee shall be informed of such auctions and be provided with a full report documentation associated with proof of competitive bidding and sales for official records retention and accounting of all assets disposed of for use in updating the capital asset records.

Assets with a value of less than \$5,000 can be sold outright with prior approval of the Division Chief. Sale price will be based on prior auctions and shall be approved by the Division Chief.

The proceeds of asset disposals shall be recorded in the fund that originally paid for the asset.

## Surplus Property

Public trust and scrutiny issues obligate LFRA to manage all property up to the point of final disposition. Often, final disposition takes the form of an auction or sale unless the property is simply junked or trashed. LFRA maintains inventories of surplus property in hopes of filling a need at another division/program with property that has been indicated as surplus. Surplus Property shall remain LFRA responsibility until the asset is transferred or disposed.

## Calendar

The Calendar of events shall be designed so as to timely deliver Asset data for purposes of budgeting and financial reporting. Management may impose additional



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requirements. The following is a guideline for a calendar of activities and may change to accommodate the accounting and auditing cycle.

- **Ongoing** - Update asset data.
- **September** - Update asset data for interim audit.
- **October** - Print Asset Listing, conduct Physical Inventory count and document all errors.
- **February** - Complete all paperwork. Print Master Asset listing for financial reporting.

### **Asset Classification / Capitalization Threshold / Estimated Useful Life**

Items meeting the definition of a capital asset in GASB 34 and described previously herein will be recorded as a capital asset and classified into one of the major categories or networks, subject to the capitalization threshold of \$5,000 and defined in Asset Classification Table 1. Item or items meeting the criteria may be listed as part of a system or subsystem under the network. Questions on items or asset classifications should be directed to the Finance Department.



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Table 1	
ASSET CLASSIFICATION	ESTIMATED USEFUL LIFE (YRS)
<b>LAND</b>	
Land	exempt
Easements	exempt
Rights of Way	exempt
<b>LAND IMPROVEMENTS</b>	
Parking Lots	20
Lighting	30
Fencing	15
Retaining Walls	20
Other Land Improvements	20
Landscaping	20
<b>BUILDING &amp; BUILDING IMPROVEMENTS</b>	
Buildings (including expansions)	
a. Concrete Buildings	50
b. Metal Buildings	30
c. Modular Buildings	25
d. Office Buildings	50
Building Improvements	
a. Electrical System	10
b. Elevators	20
c. Fire Suppression System	20
d. HVAC System	10
e. Roofing	
I.) Flat Roof	20
II.) Shingled Roof	30
f. Other Building Improvements	20
<b>VEHICLES</b>	
Light Duty (10,000 GVWR or less)	
a. Cars	<del>7</del> 12
b. <del>Battalion Chief Command Vehicle</del> Sport Utility Vehicles (SUV)	<del>7</del> 8
c. Response Staff / Utility Vehicles	10
d. Staff / Utility Vehicles	12
e. Type 6 Brush Engine	18
Heavy Duty (10,001 GVWR or more)	
a. <del>Trucks</del> Type 1 Structural Engine	2017
b. Type 3 Wildland-Urban Interface Engine	18
<del>c.</del> Type 6 Brush Engine	18
<del>d.c.</del> Ladder – Tower	20
<del>Ed.</del> Heavy Rescue	15
<del>b.ef</del> Vans Water Tender	20



# ADMINISTRATIVE REGULATION (AR)

**AR-00052** Capital Assets (City AR-00052) Effective: ~~0107~~/01/2016

<b>g.f. Specialized Vehicle</b>	<b>20 - 25</b>
<b>MACHINERY &amp; EQUIPMENT</b>	
Light Duty (10,000 lbs or less)	
a. All-Terrain Vehicle (ATV)	5
b. Boats	<del>7</del> 20
c. Generators - Portable	15
d. Compressor	15
e. Pressure Washers	5
f. Trailers	<del>4</del> 030
g. Utility Vehicles (UTV)	<del>7</del> 10
h. Other Tools	5
i. Radios	8
j. Confined Space Kit	10
k. Power Hawk Rescue Tool	10
l. Paratech Airshore	10
m. Sked	10
n. Cutters/Combi-Tools/Rams/Spreaders	10
<del>o.</del> 1 ¾" Green Hose	<del>5</del>
<del>p.</del> 1 ¾" Alley Line Gasner Hose	<del>7</del>
<del>q.</del> 1 ¾" Rubber Bumper Hose	<del>7</del>
<del>r.</del> 2" Yellow Attack Hose	<del>5</del>
<del>s.</del> 2" Stand Pipe Hose	<del>7</del>
<del>t.</del> 2 ½" Dead Load Hose	<del>15</del>
<del>u.</del> 3" Blue Line for Blitz Hose	<del>15</del>
<del>v.</del> 3" Yellow Alley Line Hose	<del>15</del>
o. 5" Hose	15
P. Thermal Imaging Cameras	10
Heavy Duty (10,001 GVWR or more)	
a. Backhoes	10
b. Tractors	10
Office Fixtures and Equipment	
a. Computer Server	5
b. Computers and Components (including Ipads and Mobile Data Terminals)	4
c. Copiers/Printers	5
d. Office Partitions	10
e. Software (externally purchased)	4
f. Telephone Systems	10
<b>WORKS OF ART, HISTORICAL TREASURES AND COLLECTIONS</b>	
Works of Art & Historical Treasures	exempt
Books, Periodicals, Electronic Media	5
<b>CONSTRUCTION IN PROGRESS</b>	
	exempt

### Depreciation

Unless otherwise indicated, depreciable assets shall be depreciated on a straight-line basis, midyear convention (All new assets are put on with a purchase date of 7/1/xx)



## ADMINISTRATIVE REGULATION (AR)

~~AR-00052~~ Capital Assets (City AR-00052)

Effective: ~~0107~~/01/2016

causing the first year to calculate 6 months. After the first year it is straight line until the last year and it is 6 months again.). Assets showing **exempt** under estimated useful life in the Table above would not be depreciated, since they are considered non-depreciable assets. All other assets will be depreciated based on estimated useful life as indicated in the Table above.

Zero salvage value is assumed on all assets. Therefore assets will be depreciated to zero.

LFRA will not use the modified approach for depreciation at this time. However, LFRA may revise this policy in the future for certain infrastructure items where such treatment is deemed appropriate.

### Maintenance Cost versus Capitalized Cost

To be considered a capitalized cost an expenditure shall meet both the following criteria, 1) cost will increase or extend the original useful life of the asset or increase its efficiency or value (compared to when acquired) or cause a material change in the functions. 2) It shall meet the capitalization threshold of the asset class. Otherwise, it shall be considered a regular expense or repair and maintenance expense of the period.

### Policy Maintenance

A significant aspect of capital asset system maintenance involved maintaining the policies that dictate control of capital asset records. The Administrative Director, in consultation with the City's Finance Director for as long as the City of Loveland provides accounting services for LFRA, will be responsible for ongoing maintenance and will recommend revision of these policies. Periodic reviews of the capital asset policy should be examined for the most meaningful dollar amount versus the costs of maintaining records of controlled assets for that level of detail. By definition, controlled assets are items of property that fail to meet the capitalization policy but are inventoried on the capital asset system anyway. The periodic review of the capital asset policy, with respect to controlled assets, should include an analysis of the cost of recording and tracking these assets versus the cost of replacing them should they be lost or stolen.



# ADMINISTRATIVE REGULATION (AR)

~~AR-00052~~ Capital Assets (City AR-00052) Effective: ~~0107~~/01/2016

Table 2			
INVENTORY SCHEDULE FOR PROGRAMS			
PROGRAM	FULL PHYSICAL COUNT		
	<u>YEAR 1</u> <small>(2017, 2020, 2023 etc)</small>	<u>YEAR 2</u> <small>(2018, 2021, 2024 etc)</small>	<u>YEAR 3</u> <small>(2019, 2022, 2025 etc)</small>
TRAINING AREA	•		
HAZMAT	•		
URBAN RESCUE	•		
DIVE RESCUE	•		
WILDLAND		•	
HOSE		•	
COMMUNICATIONS		•	
SCBA'S		•	
THERMAL IMAGING			•
COMPUTER EQUIPMENT			•
VEHICLES AND APPARATUS			•
EMS			•
FITNESS			•

Inventories are maintained for items less than \$5,000/unit even though that is not required by this policy to maintain equipment replacement budgets.



# ADMINISTRATIVE REGULATION (AR)

AR-00059 Firearms in the Workplace

Effective: July 1, 2016

## I. SCOPE:

This Administrative Regulation applies to all Loveland Fire Rescue Authority (LFRA) departments and all LFRA employees including: Regular, Temporary, Seasonal, and Volunteers.

## II. PURPOSE:

The Administrative Regulation provides Authority employees with guidance regarding the possession or use of firearms in the workplace when on duty and during the conduct of Authority business and to promote safety in the workplace.

## III. DEFINITIONS:

- **Civilian employees** refers to Authority employees who are not POST-certified, not designated as peace officers pursuant to state law, nor who are not authorized to carry or handle firearms while performing their duties as Authority employees.
- **Concealed** refers to placed out of sight so as not to be discernible or apparent by ordinary observation.
- **Valid permit** refers to a current permit to carry a concealed handgun issued pursuant to CRS § 18-12-201 *et seq.* or issued pursuant to 18 USC § 926B and 18 USC § 926C.
- **Workplace** refers to any Authority owned property, any work site leased or rented by the Authority, any Authority vehicle, or any location where an employee is conducting official business for the Authority, with the exception of an employee's private home when such employee is working from home.

## IV. POLICY:

In order to promote safety in the workplace, only those employees who are authorized to use or possess firearms during the course, conduct and in the performance of their duties as Authority employees are permitted to possess firearms in the workplace, except as otherwise permitted by state law governing carrying a concealed handgun.

### **Basis For Mandate:**

- CRS §18-2-201 *et seq.*
- AR-00005 Violence in the Workplace
- Internal Governance



# ADMINISTRATIVE REGULATION (AR)

AR-00059 Firearms in the Workplace

Effective: July 1, 2016

## V. PROCEDURE:

### A. General Prohibition

Except as provided for in this Administrative Regulation, Authority employees are prohibited from using or possessing (openly or concealed) a firearm of any kind in the workplace while such employee is on duty and during the conduct of Authority business. This shall not apply to an employee's private home when working from home.

### B. Exceptions

1. Civilian employees who are required to handle or possess firearms in the performance of their duties are allowed to possess such firearms.
2. Civilian employees may keep a legal firearm in their personal vehicle when the vehicle is parked on Authority property or driven on Authority property, provided the employee keeps the firearm securely locked within the vehicle at all times.
3. Civilian employees who hold a valid permit for a carrying a concealed handgun may possess such handgun in the workplace, except in the Loveland Police Department booking area and the area in the Police and Court's building that is subject to a weapons detection security checkpoint.

### C. Restrictions on Possession of a Firearm

1. A valid permit does not authorize an employee to carry a concealed handgun into a public building at which (i) security personnel and electronic weapons screening devices are permanently in place at each entrance to the building; (ii) security personnel electronically screen each person who enters the building or area to determine whether the person is carrying a weapon of any kind; and (iii) security personnel require each person who is carrying a weapon of any kind to leave the weapon in possession of security personnel while the person is in the building.
2. A valid permit does not authorize an employee to use a handgun in a manner that would violate any provision of state or federal law.
3. No firearms are allowed in the booking area of the Loveland Police Department.

In the event of a conflict between the provisions of this Administrative Regulation and policies or directions issued by the Chief Judge of the Eighth Judicial District pertaining to the control of weapons in those areas of the Loveland Police and Courts or the Larimer County Justice Center buildings subject to the jurisdiction of the Chief Judge, the policies or direction issued by the Chief Judge shall prevail.

### D. Personal Liability



# ADMINISTRATIVE REGULATION (AR)

**AR-00059 Firearms in the Workplace** **Effective: July 1, 2016**

Except for those employees authorized in section V.B1 and V.B2 of this Administrative Regulation, the use or possession of a firearm is not within the scope of a civilian employee’s duties for the Authority and therefore the employee possesses or uses the firearm as a private citizen at his or her own risk and assumes all liability.

## **VI. OTHER RELATED REGULATIONS & PROCEDURES:**

AR-00005      Violence in the Workplace      Effective: 08/08/2009

## **VII. LFRA FIRE CHIEF SIGNATURE:**

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**Mark Miller, Fire Chief**

## Agenda Item Cover

Item No.: 3

Meeting Date: June 29, 2016

Prepared By: Ned Sparks Division Chief and Carie Dann Deputy Fire Marshal



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### TITLE

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Consider Fee Waivers for Two Sprinkler and One Alarm Permit

### EXECUTIVE SUMMARY

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Consider authorizing sprinkler permit fee waivers of approximately \$600 for Bent Tree Church to modify an incorrectly designed sprinkler system; and approximately \$1,400 for sprinkler permit fee waiver and \$600 for fire-alarm permit fee waiver for Silver Leaf II (Loveland Housing Authority) to voluntarily install a monitored fire-sprinkler system.

### BACKGROUND

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Deputy Fire Marshal Dann wanted the Board to be aware of fee waiver requests that were brought to the Community Safety Division (CSD). The two businesses are the Bent Tree Church for \$636 and Silver Leaf II (Loveland Housing Authority), for \$1,477 for fire sprinklers and \$603 for fire-alarm system. With these projects, these businesses have improved the life safety in their buildings by their own means or State grants. Deputy Fire Marshal Dann reported that one of the businesses had submitted sprinkler plans in 2009; those plans were approved by CSD but it was later discovered that the sprinkler design was incorrect and the system would need to be modified to meet national standards. The other business had a near fatality fire in 2013 and voluntarily pursued State funding to install fire sprinklers and, since the May LFRA Board meeting, to upgrade its fire-alarm system. Chief Miller said that he feels these businesses made a "good faith" effort to improve the life safety in both cases.

### STAFF RECOMMENDATION

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Approve the fire sprinkler permit fee waivers of \$636 for Bent Tree Church and \$2,080 (\$1,477 for sprinkler and \$603 for alarm) for Silver Leaf II.

### FINANCIAL/ECONOMIC IMPACTS

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The financial impact is a minor reduction in revenue collections in exchange for corrections for a prior permit and installation of fire sprinklers and fire alarm devices, to improve life safety in two businesses.

### ASSOCIATED STRATEGIC GOALS

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Minimize and mitigate the risks of an emergency occurrence in the community.

### ATTACHMENTS

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Bent Tree Church and Silver Leaf II Permits

**Permit Statement**

Permit BP-16-00409:Fire - Sprinkler System, Non-Res 425H-01-001-95031-23-001 1825 W 37TH ST Bent Tree Church	Statement Printed Date:  03/29/2016
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Description	Item Amount	Total Due on Statement
D14 City Use Tax	\$201.00	\$201.00
D15 County Open Space Tax	\$16.75	\$16.75
D16 County Jail Tax	\$10.05	\$10.05
D17 County Fairgrounds Tax	\$10.05	\$10.05
D17 County Humane Society Tax	\$6.70	\$6.70
R01 Fire PC	\$154.21	\$154.21
R01 Fire Permit Fee	\$237.25	\$237.25
<b>Sub Total</b>		<b>\$636.01</b>
		<b>\$636.01</b>

**City of Loveland**

<b><u>Permit Statement</u></b>
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Permit BP-15-02835:Fire - Sprinkler System, Non-Res 356A-01-001*002-95123-34-901 2000 MAPLE DR Silver Leaf II	Statement Printed Date:  03/01/2016
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Description	Item Amount	Total Due on Statement
D14 City Use Tax Exempted	\$0.00	\$0.00
D15 County Open Space Tax Exempted	\$0.00	\$0.00
D16 County Jail Tax Exempted	\$0.00	\$0.00
D17 County Fairgrounds Tax Exempted	\$0.00	\$0.00
D17 County Humane Society Tax Exempted	\$0.00	\$0.00
R01 Fire PC	\$582.24	\$582.24
R01 Fire Permit Fee	\$895.75	\$895.75
<b>Sub Total</b>		<b>\$1,477.99</b>
		<b>\$1,477.99</b>

**City of Loveland**

<b><u>Permit Statement</u></b>
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Permit BP-16-01177:Fire - Alarm System, Non-Res 356A-01-001*002-95123-34-901 2000 MAPLE DR Silver Leaf II Apartments	Statement Printed Date:  06/14/2016
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Description	Item Amount	Total Due on Statement
D14 City Use Tax	\$193.08	\$193.08
D15 County Open Space Tax	\$16.09	\$16.09
D16 County Jail Tax	\$9.65	\$9.65
D17 County Fairgrounds Tax	\$9.65	\$9.65
D17 County Humane Society Tax	\$6.44	\$6.44
R01 Fire PC	\$145.11	\$145.11
R01 Fire Permit Fee	\$223.25	\$223.25
<b>Sub Total</b>		<b>\$603.27</b>
		<b>\$603.27</b>

## Agenda Item Cover

Item No.: 4

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



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### TITLE

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Consider a Supplemental Appropriation for Grant Awards

### EXECUTIVE SUMMARY

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There are three grants that are included in this appropriation that do not require matching funds from LFRA or our governing partners. The grant funds will be used to purchase Emergency Operations Center (EOC) communications equipment, draft an Emergency Operations Plan and conduct an exercise, Big Thompson Canyon bunker gear, and a second set of hoods, gloves and helmets for fire personnel related to cancer prevention.

### BACKGROUND

---

The grant awards are being appropriated in this resolution help to advance our strategic goals and improve firefighter safety.

- \$20,000 from the Homeland Security Grant through the Northeast All Hazards Region for 2 800Mhz radios, head sets, and the related software and programming; an update to the Emergency Operations Center plan; and an exercise on that plan.
- \$28,134 from the Colorado Division of Fire Prevention and Control for the Big Thompson Canyon bunker gear replacements (18 sets). The money will go to the Rural District and the Rural District will contribute that to LFRA so that the Quartermaster is ensuring the consistency of gear for all LFRA personnel, using the current sealed competitive bid for bunker gear. The other half of the gear was included in the carryover supplemental appropriation (savings from the Rural 2015 budgeted contribution to LFRA) the first quarter of this year.
- \$23,111 from the Colorado Division of Prevention and Control for a second set of hoods, gloves, and helmets that will allow for decontamination after a fire response to assist with firefighter cancer prevention efforts.

No additional contributions are required of our governing partners. This action appropriates the grant award revenue and the exact amount is appropriate for the designated grant expenditures. If the LFRA Board adopts this appropriation, then it will be considered by the Loveland Rural Fire Protection District at the July 6 Board Meeting and the City of Loveland City Council will consider it at the July 19. It will be effective July 20 if all partners have approved it.

### STAFF RECOMMENDATION

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Conduct the public hearing and adopt the appropriation.

### FINANCIAL/ECONOMIC IMPACTS

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\$71,245 new revenue to address firefighter safety and community preparedness.

### ASSOCIATED STRATEGIC GOALS

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All three strategic goals: effective response, minimize and mitigate risk and cost effective services.

### ATTACHMENTS

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Resolution

**RESOLUTION NO. R-066**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET REGARDING THE APPROPRIATION OF MONEYS TO AND THE EXPENDITURE OF MONEYS FROM THE GENERAL FUND FOR THE LOVELAND FIRE RESCUE AUTHORITY, STATE OF COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2016 AND ENDING ON THE LAST DAY OF DECEMBER 2016**

WHEREAS, the Loveland Fire Rescue Authority ("*Authority*") is a governmental entity of the State of Colorado, established by contract between the City of Loveland ("*City*") and the Loveland Rural Fire Protection District ("*Rural District*") pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity dated August 19, 2011 ("*Establishing IGA*");

WHEREAS, on November 18, 2015, the Authority Board of Directors ("*Board*"), after complying with notice and other statutory requirements, duly adopted a budget for fiscal year 2016 ("*2016 Budget*"). Pursuant to Section 4.1 of the Establishing IGA, the 2016 Budget subsequently was approved by the City Council and by the Rural District Board of Directors, and the amounts set forth therein were appropriated by the Authority Board on December 16, 2015;

WHEREAS, after adopting the 2016 Budget and making appropriations thereunder, the Authority Board determined it necessary to approve additional appropriations of moneys to and expenditures of moneys from the General Fund for fiscal year 2016;

WHEREAS, the Authority Board authorized its administrative staff and consultants to prepare and submit a proposed 2016 Supplemental Budget reflecting the additional appropriations of moneys to and expenditures of moneys from the General Fund;

WHEREAS, a proposed 2016 Supplemental Budget has been submitted to the Authority Board for its consideration. A copy of the 2016 Supplemental Budget is attached to this Resolution;

WHEREAS, pursuant to Section 4.1 of the Establishing IGA, the 2016 Supplemental Budget also must be submitted to the City Council and Rural District Board of Directors for their consideration, and shall become effective only after approval of both the City Council and Rural District Board of Directors;

WHEREAS, grant funding awarded does not require a match therefore no additional funds are required from the City of Loveland or the Loveland Rural Fire Protection District;

WHEREAS, the Authority Board desires to adopt the attached 2016 Supplemental Budget, and desires to request that the City Council and Rural District Board of Directors approve the attached 2016 Supplemental Budget, and appropriate the necessary funds to provide for the 2016 Supplemental Budget from awarded grant fund, as appropriate;

WHEREAS, due and proper notice, published and posted in accordance with the law,

advised the public that (1) the Authority's proposed 2016 Supplemental Budget was available for inspection by the public at a designated public office; (2) the Authority Board would hold a public hearing on the proposed 2016 Supplemental Budget on Wednesday, June 29, 2016 at 1:30 pm; and (3) interested electors could comment on or to file or register objections to the proposed 2016 Supplemental Budget any time before the public hearing; and,

WHEREAS, the Authority Board held a public hearing on Wednesday, June 29, 2016, and interested electors were given the opportunity to comment on or to file or register any objections to the attached 2016 Supplemental Budget.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND FIRE RESCUE AUTHORITY, STATE OF COLORADO, AS FOLLOWS:**

**Section 1. Receipt of Moneys to the General Fund.** Subject to approval of the City Council and Rural District Board of Directors pursuant to Section 4 below, the Authority Board hereby authorizes and approves the receipt and appropriation in 2016 of an additional \$71,245 in revenue from awarded grant contributions and Rural District contributions to the Authority's General Fund; \$23,111 from the Colorado Firefight Safety and Disease Prevention awarded by the State of Colorado Division of Fire Prevention and Control for hoods, gloves and helmets, \$28,134 from the Rural District generated by their Colorado Firefight Safety and Disease Prevention awarded by the State of Colorado Division of Fire Prevention and Control for the replacement of 18 sets of bunker gear, and \$20,000 Homeland Security Grant through the Northeastern All Hazard Region and Larimer County from the State of Colorado Department of Public Safety Division of Homeland Security and Emergency Management for emergency operations center communications equipment.

**Section 2. Expenditures of Money from the General Fund.** Subject to approval of the City Council and Rural District Board of Directors pursuant to Section 4 below, the Authority Board hereby ratifies and approves the expenditure of an additional \$71,245 from the Authority's General Fund during fiscal year 2016.

**Section 3. Adoption of Supplemental Budget for 2016.** Subject to approval of the City Council and Rural District Board of Directors pursuant to Section 4 below, the Authority Board hereby adopts the 2016 Supplemental Budget in the form attached to this Resolution.

**Section 4. City Council's and Rural District Board of Directors' Approval Required.** Pursuant to Section 4.1 of the Establishing IGA, the 2016 Supplemental Budget shall become effective as of the date that both the City Council and Rural District Board of Directors approve the 2016 Supplemental Budget. The Authority's administrative staff shall obtain and maintain with this Resolution a copy of the City Council and Rural District Board actions approving or denying approval of the attached 2016 Supplemental Budget.

**Section 5. Purposes of 2016 Supplemental Budget Could Not Have Been Reasonably Foreseen.** At the time the Authority Board adopted the 2016 Budget in the fall of 2015, it could not have reasonably foreseen the need to approve additional appropriations of moneys to and expenditures of moneys from the General Fund for fiscal year 2016.

ADOPTED this 29<sup>th</sup> day of June, 2016.

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Jeffrey M. Swanty, Chairperson

ATTEST:

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Secretary

### Loveland Fire Rescue Authority 2016 Supplemental Budget

**Funds Appropriated for Use by the Authority:**

Account Title	Account Number	Amount	Description
<b>Sources of Funds:</b>			
State Grant	604-22-227-1600-32100 FRSHSG2015	20,000	Homeland Security Grant through Northeast All Hazards Region for Emergency Operations Center Communications Equipment
Contributions Rural District	604-22-227-1601-32402	28,134	Big Thompson Canyon Volunteer Fire Department State Grant from the Colorado Division of Fire Prevention and Control for bunker gear replacement
State Grant	604-22-224-1630-32100	23,111	LFRA State Grant from the Colorado Division of Fire Prevention and Control for cancer prevention purchase of a second set of hoods, gloves and helmets
<b>Total Funds</b>		<b>\$71,245</b>	

**2016 Supplemental Authority Appropriations and Expenditures:**

Account Title	Account Number	Amount	Description
<b>Uses of Funds:</b>			
Other Capital	604-22-227-1600-49399 FRSHSG2015	15,000	Emergency Operations Center Communications Equipment
Other Services	604-22-227-1600-43899 FRSHSG2015	5,000	Emergency Operation Center Plan and an exercise
Personal Protection Equipment (PPE)	604-22-224-1630-42025 FRFS&DP2016	23,111	Hoods, gloves and helmets for the cancer prevention program
Personal Protection Equipment (PPE)	604-22-224-1630-42025 FRBTCVFD	28,134	18 sets of bunker gear for the Big Thompson Canyon Fire Department
<b>Total Appropriations and Expenditures</b>		<b>\$71,245</b>	

## Agenda Item Cover

Item No.: 5

Meeting Date: June 29, 2016

Prepared By: Mark Miller, Fire Chief



### TITLE

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Discuss a Proposal to be Included in the 2017 Budget Process Relative to the Conversion of Part-time Firefighters to Full Time Firefighters

### EXECUTIVE SUMMARY

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Staff will give a presentation to the Board that will explore various options related to the conversion of part-time firefighters to full time firefighters as part of the 2017 budget proposal. Staff has prepared three different options and detailed information for the Board to consider. Additionally, a few members of the Fire Rescue Advisory Commission (FRAC) may be present to speak about the proposal. The presentation was discussed at FRAC meetings in April and May as a way to vet the proposal before bringing it to the Board for consideration.

### BACKGROUND

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Staff brought this concept to the Board at the January planning meeting. Since then, staff has further researched the options and determined the operational advantages as well as financial impacts, ensuring the most cost effective approach, and what is in the best interests of LFRA.

### STAFF RECOMMENDATION

---

Staff would like the Board's feedback relative to including this in the 2017 budget.

### FINANCIAL/ECONOMIC IMPACTS

---

The scenario handout highlights the total scenario cost for multiple years for salaries and benefits in each option ranging from \$124,443 to \$188,287. As a reminder the Board has already appropriated the "overhire" for the 2016 year in each of those options. So the remaining financial impact for each option is:

- Option 1 Convert all part time firefighter to full time in 2017 \$85,463
- Option 2 Convert all part time firefighter to full time over 2 years \$91,155
- Option 3 Retain all part time firefighters and accelerate the remaining rovers in the ten year plan \$149,307

There is also a need for a one time investment in a second set of bunker gear and communications earpieces for each firefighter that will cost \$16,120. The total cost of Scenario 1 for example then becomes \$101,583.

### ASSOCIATED STRATEGIC GOALS

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Deploy an effective emergency response to minimize damage and loss.

The proposal fits in the parameters of the Strategic Plan which calls out for analysis of the current staffing model.

### ATTACHMENTS

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Scenario Spreadsheet

Draft 2017 Supplemental Request Form

Part Time Firefighter Conversion and Rover Hires

		1.035		1.071		1.109		1.035		1.071		1.109	
		Scenario 1: Convert All Part Time Firefighters to Full Time by Jan 2017		Scenario 2: Convert All Part Time Firefighters to Full Time by Jan 2018				Scenario 3: Accelerate the Hire 3 Rovers Planned in 2019, Retain All Part Time Firefighters					
		1 Overhire/Offset by Unpaid Military Leave (20 pay periods Yr 1)	12 PT to 5 FT	1 Overhire/Offset by Unpaid Military Leave (20 pay periods Yr 1) Converts 2 PT to 1 FT in 2017	6 PT to 2 FT	6 PT to 3 FT		1 Overhire/Offset by Unpaid Military Leave (20 pay periods Yr 1)	2 Remaining Rovers				
Description	Cost for One	2016	2017	2016	2017	2018	2019	2016	2017	2018	2019		
<b>Cost of Full Time Firefighter in 2017:</b>													
Salary	50,407.00												
FLSA OT (2.68% of salary)	1,350.91												
Regular OT (8% of salary)	4,032.56												
FICA (1.45%)	808.96												
Retirement (11% of reg salary)	5,544.77												
Insurance	12,196.80												
Workers Comp	312.52												
<b>Total</b>	<b>74,653.52</b>												
<b>Cost of Full Time Firefighters</b>		\$38,980.00	\$373,267.61	\$38,980.00	\$149,307.05	\$239,912.16		\$38,980.00	\$149,307.05		\$0.00		
Benefits as a Percentage of Salaries including OT	34%												
<i>Assuming we already have all quartermaster gear \$6,610/person</i>													
<b>Cost of Part Time Firefighter in 2017 @ \$13.19</b>	<b>19,896.55</b>												
<b>OT</b>	<b>2,125.00</b>												
SS/FICA & Medicare	1,963.00												
<b>Total</b>	<b>23,984.55</b>												
<b>Cost of Part Timers</b>			\$287,804.62	\$0.00	\$143,907.31	\$154,157.11		\$0.00	\$0.00		\$0.00		
<b>Total Cost of Single Year Conversion of Part Time to Full time:</b>		<b>38,980.00</b>	<b>\$85,462.99</b>	<b>\$38,980.00</b>	<b>\$5,399.73</b>	<b>\$85,755.05</b>	<b>\$0.00</b>	<b>\$38,980.00</b>	<b>\$149,307.05</b>	<b>\$0.00</b>	<b>\$0.00</b>		
<b>Total Scenario Cost</b>			<b>\$124,442.99</b>			<b>\$130,134.78</b>					<b>\$188,287.05</b>		
City Share Annually			\$70,079.65	\$31,963.60	\$4,427.78	\$70,319.14	\$0.00	\$31,963.60	\$122,431.78	\$0.00	\$0.00		
Rural Share Annually			\$15,383.34	\$7,016.40	\$971.95	\$15,435.91	\$0.00	\$7,016.40	\$26,875.27	\$0.00	\$0.00		

Impact to the Financial Plan by Year	2017 (1)	2018	2019	2020	2021	2022	2023	2024
Project Net Cost for Contributions	13,770,315	14,596,089	16,342,181	17,036,895	17,677,504	18,275,769	19,009,413	19,889,348
Scenario 1	85,463	88,454	91,550	94,754	98,071	101,503	105,056	108,733
<b>New Projected Total Net Cost w/Scenario 1</b>	<b>13,855,778</b>	<b>14,684,543</b>	<b>16,433,731</b>	<b>17,131,650</b>	<b>17,775,575</b>	<b>18,377,272</b>	<b>19,114,469</b>	<b>19,998,081</b>
Increase in City Share	175,342	412,059	349,666	442,813	274,038	474,255	524,267	579,963
Increase in Rural Share	38,490	90,452	76,757	97,203	60,154	104,105	115,083	127,309
Project Net Cost for Contributions	13,770,315	14,596,089	16,342,181	17,036,895	17,677,504	18,275,769	19,009,413	19,889,348
Scenario 2	18,985	113,971	117,960	122,088	126,361	130,784	135,361	140,099
<b>New Projected Total Net Cost w/Scenario 2</b>	<b>13,789,300</b>	<b>14,710,060</b>	<b>16,460,140</b>	<b>17,158,984</b>	<b>17,803,865</b>	<b>18,406,553</b>	<b>19,144,775</b>	<b>20,029,447</b>
Increase in City Share	120,830	432,983	371,322	465,227	297,236	498,265	549,117	605,683
Increase in Rural Share	26,524	95,045	81,510	102,123	65,247	109,375	120,538	132,954
Previous Projected Net Cost for Contributions	13,770,315	14,596,089	16,342,181	17,036,895	17,677,504	18,275,769	19,009,413	19,889,348
Scenario 3	\$144,292	\$149,342	154,569	159,979	165,578	171,374	177,372	0 (2)
<b>New Projected Total Net Cost w/Scenario 3</b>	<b>13,914,607</b>	<b>14,745,431</b>	<b>16,496,750</b>	<b>17,196,875</b>	<b>17,843,082</b>	<b>18,447,142</b>	<b>19,186,785</b>	<b>19,889,348</b>
Increase in City Share	223,582	461,988	401,342	496,297	329,394	531,549	583,566	490,802
Increase in Rural Share	49,079	101,412	88,100	108,943	72,306	116,682	128,100	107,737

(1) Includes Full Year for Rover hired in '16 with no military unpaid time to offset costs  
 (2) Since the 3 Rovers were already in the Ten Year Financial Plan in 2019, there are no net increases for Rovers.

### Supplement Request Form

**For Year:** 2017  
**Department:** LFRA  
**Division:** Operations

Type of Supplement: (Check one box only)  
 Improvement (new or enhanced service level)  
 Revenue generating  
 Required to Maintain Current Service Level  
 Mandated (attach copy of law or regulation mandating the service)

Describe what is to be funded:

**Expenses:**

**Operations & Capital:**

	Recurring	One-Time	Total Cost
Operating (supplies, purchased services, equipment < \$5,000)		16,120	16,120
Capital (equipment > \$5,000)			-
Vehicle			-
<b>Total Cost:</b>	-	16,120	16,120

**Personnel:**

	FTE Increase	Annual Salaries	Benefits*	FICA	Retirement
Benefitted		278,952	62,547	4,045	27,724
Nonbenefitted		(264,248)		(23,557)	-
<b>Total Cost:</b>	0.00	14,705	62,547	(19,512)	27,724

\* Use benefit estimates contained in the Budget Prep Manual

**Total Supplement:** **101,583**

If there are any one-time costs included in this request, describe what they are: second set of bunker gear and communications earpieces

Revenue generated by funding this request \$0

Explain how the revenue will be generated:

Is the total cost a full-year cost?  Yes  No

If no, what is the annualized cost and the phase-in schedule:

Provide justification for this request:

Identify impact if supplement is not funded: continue to experience costs associated with recruitment on high turnover ratio, lack of crew continuity, minimized existing firefighter professional development because continually training to the entry firefighter level to train new recruits, lack of opportunities to participate in department training and activities because a part timer has to maintain a second full time job to meet living expenses

If applicable, explain how this service or workload is currently being provided: with part time FFs

**Line Item Detail for Operations and Capital for the Request (leave out personnel):**

Account	Description	Amount
604-22-224-1630-42025	Second set of bunker gear (coat, pant, helmet, gloves, boots)	15,645
604-22-226-1641-42899	earpieces @ \$95 each	475
<b>Total:</b>		<b>16,120</b>

## Agenda Item Cover

Item No.: 6

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



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### TITLE

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## Review Lease Agreements and Omnibus Bills of Sale

### EXECUTIVE SUMMARY

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Based on the feedback received at the May LFRA Board meeting the attorneys have revised the lease agreements for the facilities used by LFRA and the bill of sale for the equipment used by LFRA to deliver fire rescue service to the greater Loveland area.

### BACKGROUND

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The next phase in the maturation of the Loveland Fire Rescue Authority is to address property ownership used in the delivery of fire rescue service currently owned by the City of Loveland and the Loveland Rural Fire Protection District. The LFRA Board directed staff to move forward with the creation of documents that would lease facilities to LFRA and to transfer ownership of equipment to LFRA. The attorneys brought the first version of those documents to the May LFRA Board meeting. Several issues were discussed for consideration, apparatus not owned by either the City or the Rural District but used in the delivery of fire rescue services was discussed. The following is a list this apparatus.

- **Engine 294 (fleet # 0553)** – 1968 Jeep 4X4 – Owned by the Colorado Division of Fire Prevention & Control (CDFPC Apparatus Loan Program) – operated from LFRA Station 9 for structural and wildland firefighting operations. This apparatus is deployable throughout the entire state for wildland fire operations at the request of the CDFPC.
- **Foam Trailer (fleet #0604)** – 2008 trailer w/ plastic foam tank – Owned by the Northern Colorado Regional Airport – Used for mobile foam supply operations by LFRA personnel, generally limited to the airport site, but can respond off the airport if needed.
- **ARFF 41 (fleet #0904)** – 2015 E-One Titan - Owned by the Northern Colorado Regional Airport – Operated by LFRA personnel for aircraft firefighting & rescue operations, generally limited to the airport site, but can respond off the airport if needed.
- **ARFF 42 (fleet #0903)** – 1993 E-One Titan - Owned by the Northern Colorado Regional Airport – Operated by LFRA personnel for aircraft firefighting & rescue operations, generally limited to the airport site, but can respond off the airport if needed.
- **ARFF 44 (fleet # 0902)** – 1996 Ford/Walter - Owned by the Northern Colorado Regional Airport – Operated by LFRA personnel for aircraft firefighting & rescue operations, generally limited to the airport site, but can respond off the airport if needed.
- **Mobile Command Vehicle (fleet #3300)** – 2005 Freightliner/LDV – Owned by the City of Loveland, operated by the Loveland Police Department and LFRA – purchased with a Northeast All Hazards Region Grant, making it deployable for the NE Colorado region.

The attorney's believe the best course of action is to prepare an assignment agreement from whoever has been granted the right to use the apparatus (presumably the City or the Rural District) to the Authority. The assignment agreement will give the City's or the Rural District's right to use the apparatus to the Authority. However, before

## Agenda Item Cover

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preparing the assignment agreement, the attorneys need to determine whether LFRA needs the permission of CDFPC and/or the airport. Staff is in the process of trying to determine if the original agreements granting use of the apparatus exist.

### STAFF RECOMMENDATION

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Just gathering feedback and keeping board members involved in the process of documentation iteration development.

### FINANCIAL/ECONOMIC IMPACTS

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The financial impact is related to the apparatus replacement strategy for equipment, since LFRA will be responsible for ensuring there are sufficient funds in a fleet replacement fund when each apparatus is due for replacement.

### ASSOCIATED STRATEGIC GOALS

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Deploy an effective emergency response to minimize damage and loss.  
Deliver cost effective service.

### ATTACHMENTS

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- New Office Administration Lease Agreement between the City and the Authority
- New Training Site Lease Agreement between the City and the Authority
- Redline Fire Station Lease Agreement between the City and the Authority
- Redline Fire Station Lease Agreement between the District and the Authority
- Redline Omnibus Bill of Sale between the City and the Authority
- Redline Omnibus Bill of Sale between the District and the Authority

## **OFFICE LEASE**

### **(Fire Administration Office)**

THIS OFFICE LEASE ("**Lease**") is entered into by and between the City of Loveland, a home-rule municipality of the State of Colorado, whose address is 500 E. 3rd Street, Loveland, CO 80537 ("**Landlord**"), and the Loveland Fire Rescue Authority, a public entity of the State of Colorado, whose address is 410 E. 5th Street, Loveland, CO 80537 ("**Tenant**"). The Landlord and the Tenant are referred to collectively as the "**Parties**" and individually as a "**Party**".

Section 1. Grant of Lease. The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the Tenant, does hereby lease to the Tenant, and the Tenant does hereby lease from the Landlord, the office space located at 410 E. 5th Street, Loveland, CO 80537 and more specifically described in **Exhibit A**, attached hereto ("**Leased Premises**"), together with all Personal Property located thereon on the Commencement Date (defined below), and use of the adjacent parking spaces on a "first come" basis. For purposes of this Lease, the term "**Personal Property**" shall mean all furniture, fixtures, goods and chattels, information technology systems, components, equipment, hardware, and software located on the Leased Premises, including, without limitation, laptop and desktop computers, tablets, facsimiles, and telephones.

Section 2. Term and Termination. The term of this Lease begins on the date the last Party signs this Lease ("**Commencement Date**") and terminates fifty (50) years from the Commencement Date ("**Term**"), unless sooner terminated as provided herein. Tenant may terminate this Lease for any reason upon one (1) year's prior written notice to Landlord. Landlord may terminate this Lease for any Business Reason if Landlord offers Tenant comparable alternative space, at the same rental rate and on the same terms and conditions set forth herein, for the balance of the original fifty (50) year term, which alternative space is acceptable to Tenant and from which Tenant can engage in the uses described herein. Termination by Landlord for any Business Reason shall be effective one (1) year after Tenant's acceptance of the comparable alternative space, which acceptance shall not be unreasonably withheld. For purposes of this Section, "**Business Reason**" shall mean a legitimate reason related to the administration or operation of Landlord's business, and/or Landlord's financial condition or economic circumstances. The Parties may elect to extend the Term upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

Section 3. Rent. The Tenant agrees to pay the Landlord and the Landlord agrees to accept, during the Term, at such place as the Landlord shall from time to time direct by notice to the Tenant, annual rent of One Dollar (\$1.00), due on the month and day of the Commencement Date.

Section 4. Tenant's Routine Maintenance and Repair. The Tenant will keep the interior of the Leased Premises, and all windows, doors, fixtures, interior walls, pipes, and other appurtenances in good and substantial repair and in clean condition, damage by fire or storm

excepted, and will exercise all reasonable care in the use of halls, stairs, bathrooms, closets, and other fixtures and parts of the building used in common with others in said building which may be necessary for the preservation of the Leased Premises and the comfort of the other tenants; and will also permit the Landlord or Landlord's agents or employees, at all reasonable times, to enter into the Leased Premises and inspect the conditions thereof, and make such repairs as may be necessary; and will, at the expiration of said term, without demand, quietly and peaceably deliver up the possession of the Leased Premises in good state and condition, normal wear and tear excepted. If provided pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity dated August 19, 2011 between the City of Loveland and the Loveland Rural Fire Protection District, including all subsequent amendments thereto (collectively, the "***Establishing IGA***"), the Tenant shall utilize and pay for the facilities support services to be provided by the City of Loveland to the Loveland Fire Rescue Authority under the Establishing IGA ("***Facilities Support Services***") in effecting such routine maintenance and repairs of the Leased Premises pursuant to this Section 4, to the extent such routine maintenance and repairs are included within the scope of the Facilities Support Services.

5. Landlord's Repair and Maintenance. The Landlord hereby covenants with the Tenant upon the performance by the Tenant of the covenants hereinbefore set forth, that the Landlord will, during the Term, keep all the external parts of the Leased Premises in good repair; that in case the said building and Leased Premises or any part thereof shall, at any time be destroyed or so damaged by fire or storm as to render same unfit for occupation or use, said Landlord shall have the option to terminate this Lease, or to repair and/or rebuild the Leased Premises until the Leased Premises are repaired and fit for occupancy and use; and that the Tenant may quietly hold and enjoy the Leased Premises without any interruption by the Landlord or any person claiming under the Landlord.

6. Utilities, Taxes and Assessments. Unless the Parties mutually agree in writing otherwise, Landlord shall pay for all water, sanitation, sewer, electricity, light, heat, gas, power, fuel, janitorial, and other services incident to Tenant's use of the Leased Premises.

7. Insurance. Landlord shall maintain insurance coverage on the property on which the Leased Premises are located and the Leased Premises, excluding all personal property contained in the Leased Premises owned, leased or otherwise in the possession and control of the Tenant. Tenant shall maintain renter's insurance covering the personal property contained in the Leased Premises owned, leased or otherwise in the possession and control of the Tenant.

8. Litigation, Process, Jurisdiction and Venue. Unless specifically disallowed by law, should litigation arise hereunder, service of process therefor may be obtained through certified mail, return receipt requested, the Parties waiving any and all rights they may have to object to the method by which service was perfected. The Parties waive trial by jury and agree to submit to the personal jurisdiction and venue of the court of subject matter jurisdiction located in Larimer County, State of Colorado. No action hereunder may be commenced if more than one (1) year after the cause of action giving rise thereto has elapsed.

9. Default.

a. In the event that:

1. Tenant shall be in default in the payment of rent or other charges herein required to be paid by Tenant (default herein being defined as payment received by Landlord ten (10) or more days subsequent to the due date); or

2. Tenant has caused a lien or verified statement to be filed against the Leased Premises and said lien or verified statement is not removed within thirty (30) days of recordation thereof; or

3. Tenant shall default in the observance or performance of any of the covenants and agreements required to be performed and observed by Tenant hereunder for a period of thirty (30) days after written notice to Tenant of such default (or if such default shall reasonably take more than thirty (30) days to cure, Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion); or

4. Sixty (60) days have elapsed after the commencement of any proceedings by or against the Tenant, whether by the filing of a petition or otherwise, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or future Federal Bankruptcy Act or any other present or future applicable federal, state, or other statute or law, whereby such proceeding shall not have been dismissed (provided, however, that the non-dismissal of any such proceeding shall not be a default hereunder so long as all of the Tenant's covenants and obligations hereunder are being performed by or on behalf of Tenant);

then the Landlord shall be entitled to its election (unless the Tenant shall cure such default prior to such election), to exercise concurrently or successively, any one or more of the following rights:

i. Terminate this Lease by giving the Tenant notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date so specified were the date herein originally fixed as the termination date of the Term, and all rights of the Tenant under this Lease and in and to the Premises shall expire and terminate, and the Tenant shall remain liable for all obligations under this Lease arising up to the date of such termination, and the Tenant shall surrender the Leased Premises to the Landlord on the date specified in such notice; or

ii. Without terminating this Lease and with notice to the Tenant, the Landlord may, in its own name but as agent for the Tenant, enter into and upon and take possession of the Premises or any part thereof, and at the Landlord's option, remove persons and property therefrom, and such property, if any, may be removed and stored in a warehouse or

elsewhere at the cost of, and for the account of the Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and the Landlord may rent the Leased Premises or any portion thereof as the agent of the Tenant with or without advertisement, and by private negotiations and for any term upon such terms and conditions as the Landlord may deem necessary or desirable in order to relet the Leased Premises. The Landlord shall in no way be responsible or liable for any rental concessions or any failure to rent the Leased Premises or any part thereof, or for any failure to collect any rent due upon such reletting. Upon such reletting, all rentals received by the Landlord from such reletting shall be applied: first, to the payment of any indebtedness (other than any rent due hereunder) from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting, including, without limitation, brokerage fees and attorney's fees and costs of alterations and repairs; third, to the payment of rent and other charges then due and unpaid hereunder; and the residue, if any shall be held by the Landlord to the extent of and for application in payment of future rent as the same may become due and payable hereunder. In reletting the Leased Premises as aforesaid, Landlord may grant rent concessions, and the Tenant shall not be credited therefor. If such rentals received from such reletting shall at any time or from time to time be less than sufficient to pay to the Landlord the entire sums then due from the Tenant hereunder, Tenant shall pay any such deficiency to the Landlord. Such deficiency shall, at Landlord's option, be calculated and paid monthly. No such reletting shall be construed as an election by the Landlord to terminate this Lease, unless a written notice of such election has been given to the Tenant by the Landlord. Notwithstanding any such election by the Landlord to terminate the Lease unless a written notice of such election has been given to the Tenant by the Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default provided same has not been cured; or

iii. Without liability to the Tenant or any other party and without constituting a constructive or actual eviction, suspend, or discontinue furnishing or rendering to Tenant any property, material, labor, utilities, or other service, whether the Landlord is obligated to furnish or render the same, so long as Tenant is in default under this Lease; or

iv. Pursue such other remedies as are available at law or equity.

Section 10. No Election of Remedies. Landlord's pursuit of any remedy or remedies including, without limitation, any one or more of the remedies stated herein shall not (a) constitute an election of remedies or preclude pursuit of any other remedy or remedies provided in this Lease or any other remedy or remedies provided by law or in equity, separately or concurrently or in any combination, or (b) serve as the basis for any claim of constructive eviction, or allow Tenant to withhold any payments under this Lease.

Section 11. Quiet Enjoyment. Landlord covenants and agrees that upon Tenant paying the rent and observing and performing all of the terms, covenants, and conditions on Tenant's part to be observed and performed hereunder, that Tenant may peaceably and quietly have, hold, occupy, and enjoy the Leased Premises in accordance with the terms of this Lease

without hindrance or molestation from Landlord or any persons lawfully claiming through Landlord.

Section 12. Waivers. Subject to the limitation on legal action set forth in Section 8, above, failure of either Party to complain of any act or omission on the part of the other Party, no matter how long the same may continue, shall not be deemed to be a waiver by that Party of any of its rights hereunder. No waiver by either Party at any time, express or implied, or any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either Party shall require the consent or approval of the other Party, the other Party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either Party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other, and no one of them, whether exercised by said Party or not, shall be deemed to be an exclusion of any other; and any two or more or all of such rights and remedies may be exercised at the same time.

Section 13. Notices. All notices and other communications authorized or required hereunder shall be in writing and shall be given by hand delivery or mailing the same by certified mail, return receipt requested, postage prepaid, and any such notice or other communication shall be deemed to have been given when received by the Party to whom such notice or other communication shall be addressed. If intended for the Landlord, the same will be mailed to the address herein above set forth or such other address as the Landlord may hereafter designate by notice to the Tenant, and if intended for the Tenant, the same shall be mailed to the Tenant at the address herein above set forth, or such other address or addresses as the Tenant may hereafter designate by notice to the Landlord.

Section 14. Fixtures. All personal property, furnishings and equipment presently and all other trade fixtures installed in or hereafter by or at the expense of the Tenant and all additions and/or improvements, exclusive of structural, mechanical, electrical, and plumbing, affixed to the Leased Premises and used in the operation of the Tenant's business made to, in or on the Leased Premises by and at the expense of the Tenant and susceptible of being removed from the Leased Premises without damage, unless such damage be repaired by the Tenant, shall remain the property of the Tenant and the Tenant may, but shall not be obligated to, remove the same or any part thereof at any time or times during the term hereof, provided that the Tenant, at its sole cost and expense, shall make any repairs occasioned by such removal.

Section 15. Captions and Definitions of Parties. The captions of the Sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. Nothing contained herein shall be deemed or construed by the Parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of a joint venture between the Parties, it being understood and agreed that neither any provision contained herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of Landlord and Tenant.

Section 16. Entire Agreement. Except for the Establishing IGA between the Parties, which shall remain in full force and effect, this instrument contains the entire and only agreement between the Parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. In the event of a conflict, however, between this Lease and the Establishing IGA, the Establishing IGA shall control. This Lease shall not be modified in any way except by a writing executed by the Parties. Course of conduct, no matter how long, shall not constitute an amendment to this Lease.

Section 17. Governmental Immunity. Nothing in this Lease shall be construed as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties and their council members, directors, officers, employees and volunteers, under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

Section 18. Non-Appropriation. All direct and indirect financial obligations of a Party under this Agreement are subject to annual appropriation of the funds necessary to meet such obligations. If either Party's governing body fails to appropriate funds necessary to meet that Party's obligations under this Agreement for the ensuing fiscal year, this Agreement shall terminate at the end of the year in which the non-appropriation occurred, and neither Party shall have liability to the other Party beyond those obligations for which the Party previously appropriated funds.

Section 19. Governing Law. All matters pertaining to this Lease (including its interpretation, application, validity, performance and breach) in whatever jurisdiction action may be brought, shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. In the event that litigation results from or arises out of this Lease or the performance thereof, the losing Party agrees to reimburse the prevailing Party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief which the prevailing Party may be entitled.

**[SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year below written.

**LANDLORD: City of Loveland**, a Colorado home rule municipality

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**TENANT: Loveland Fire Rescue Authority**, a public entity of the State of Colorado

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**EXHIBIT A**

Administration Office Description

## **NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT (Training Site)**

THIS NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT ("*Lease*") is entered into by and between the City of Loveland, a home-rule municipality of the State of Colorado, whose address is 500 E. 3rd Street, Loveland, CO 80537 ("*Landlord*"), and the Loveland Fire Rescue Authority, a public entity of the State of Colorado, whose address is 410 E. 5th Street, Loveland, CO 80537 ("*Tenant*"). The Landlord and the Tenant are referred to collectively as the "*Parties*" and individually as a "*Party*".

### ARTICLE I – GRANT OF LEASE

The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the Tenant, does hereby lease to the Tenant, and the Tenant does hereby lease from the Landlord, the real property described in **Exhibit A**, attached hereto and incorporated by reference herein ("*Leased Premises*"), together with all improvements located thereon on the Commencement Date (defined below). The Landlord further leases to the Tenant all Opticom and other information technology systems, components, equipment, hardware, and software located on the Leased Premises, including, without limitation, laptop and desktop computers, tablets, facsimiles, and telephones.

### ARTICLE II – LEASE TERM

Section 1. Total Term of Lease. The term of this Lease begins on the Commencement Date, as defined in Section 2 of this Article II, and terminates fifty (50) years from the Commencement Date ("*Term*"), unless sooner terminated in accordance with Section 3 of this Article II.

Section 2. Commencement Date. The "*Commencement Date*" means the date the last Party signs this Lease.

Section 3. Termination for Business Reason. Tenant may terminate this Lease for any reason upon one (1) year's prior written notice to Landlord. Landlord may terminate this Lease for any business reason if Landlord offers Tenant comparable alternative space, at the same rental rate and on the same terms and conditions set forth herein, for the balance of the original fifty (50) year term, which alternative space is acceptable to Tenant and from which Tenant can engage in the uses described in Section 1 of Article VII below. Termination by Landlord for any business reason shall be effective one (1) year after Tenant's acceptance of the comparable alternative space, which acceptance shall not be unreasonably withheld. For purposes of this paragraph, "business reason" shall mean a legitimate reason related to the administration or operation of Landlord's business, and/or Landlord's financial condition or economic circumstances.

ARTICLE III – EXTENSIONS

The Parties may elect to extend the Term upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

#### ARTICLE IV – DETERMINATION OF RENT

The Tenant agrees to pay the Landlord and the Landlord agrees to accept, during the Term, at such place as the Landlord shall from time to time direct by notice to the Tenant, rent at the following rates and times:

Annual rent for the Term shall be One Dollar (\$1.00) each year, due on the month and day of the Commencement Date.

#### ARTICLE V – OBLIGATIONS FOR MAINTENANCE, REPAIRS, AND ALTERATIONS; UTILITIES

Section 1. Routine Maintenance and Repairs. During the Term of this Lease, Tenant, at its own cost and expense, shall be responsible for all routine maintenance and repair of the Leased Premises, including without limitation such regular preventative maintenance and incidental repairs as are necessary to keep the Leased Premises in good order, operating condition, and repair. If provided pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity dated August 19, 2011 between the City of Loveland and the Loveland Rural Fire Protection District, including all subsequent amendments thereto (collectively, the "***Establishing IGA***"), the Tenant shall utilize and pay for the facilities support services to be provided by the City of Loveland to the Loveland Fire Rescue Authority under the Establishing IGA ("***Facilities Support Services***") in effecting such routine maintenance and repairs of the Leased Premises pursuant to this Section 1, to the extent such routine maintenance and repairs are included within the scope of the Facilities Support Services. If provided pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity dated August 19, 2011 between the City of Loveland and the Loveland Rural Fire Protection District, including all subsequent amendments thereto (collectively, the "***Establishing IGA***"), the Tenant shall utilize and pay for the facilities support services to be provided by the City of Loveland to the Loveland Fire Rescue Authority under the Establishing IGA ("***Facilities Support Services***") in effecting such routine maintenance and repairs of the Leased Premises pursuant to this Section 1, to the extent such routine maintenance and repairs are included within the scope of the Facilities Support Services.

Section 2. Capital Improvements and Major Maintenance and Repairs. During the Term of this Lease, Landlord, at its own cost and expense, shall be responsible for all capital improvements and major maintenance and repairs of the Leased Premises, including without limitation such structural repairs, replacements, alterations, and upgrades as are necessary to keep the Leased Premises in good order, operating condition, and repair, and/or to enhance the value or extend the life of the Leased Premises.

Section 3. Tenant's Alterations. The Tenant shall have the right, at its sole expense, from time to time, to redecorate the Leased Premises and to make such non-structural alterations and changes in such parts thereof as the Tenant shall deem expedient or necessary for its purposes;

provided, however, that such alterations and changes shall neither impair the structural soundness nor diminish the value of the Leased Premises. The Tenant may make structural alterations and additions to the Leased Premises provided that Tenant has first obtained the written consent of the Landlord. The Landlord agrees that it shall not withhold such consent unreasonably. The Landlord shall execute and deliver upon the request of the Tenant such instrument or instruments embodying the approval of the Landlord which may be required by the public or quasi-public authority for the purpose of obtaining any licenses or permits for the making of such alterations, changes, and/or installations in, to, or upon the Leased Premises, and the Tenant agrees to pay for such licenses or permits.

Section 4. Permits and Expenses. Each Party agrees that it will procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable. Each Party shall give written notice to the other Party of any repairs required of the other pursuant to the provisions of this Article, and the Party responsible for said repairs agrees promptly to commence such repairs and to diligently prosecute the same to completion, subject, however, to the delays occasioned by events beyond the control of such Party.

Each Party agrees to pay promptly when due the entire cost of any work performed by it upon the Leased Premises so that the Leased Premises at all times shall be free of liens or verified statements for labor and materials. Each Party further agrees that in performing such work that it will employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner.

Section 5. Utilities. Tenant shall pay for all water, sanitation, sewer, electricity, light, heat, gas, power, fuel, janitorial, and other services incident to Tenant's use of the Leased Premises, that are directly charged or imposed against the Leased Premises, or which the Parties mutually agree should be allocated against the Leased Premises (collectively, "*Utilities Services*"). If provided pursuant to the Establishing IGA, some or all of the Utilities Services may be included and paid for by the Tenant as part of the City of Loveland's Facilities Support Services.

Section 6. Relocation of Retention Pond. The Parties acknowledge that, due to potential contamination, the retention pond currently located on the Leased Premises must be filled in and a new retention pond constructed on the Leased Premises ("*Retention Pond Project*"). Lessee shall be solely responsible for performing the Retention Pond Project. All costs incurred by the Lessee in performing the Retention Pond Project shall be paid by [REDACTED].

## ARTICLE VI – TENANT'S COVENANTS

Section 1. Tenant's Covenants. Tenant covenants and agrees as follows:

A. To procure any licenses and permits required for any use made of the Leased Premises by the Tenant, and upon the expiration or termination of this Lease, to remove its goods and effects and those of all persons claiming under it, and to yield up peaceably to Landlord the Leased Premises in good order, repair, and condition in all respects; excepting only damage by fire and casualty covered by the insurance coverage, structural repairs (unless the Tenant is obligated to make such repairs hereunder), and reasonable wear and tear.

B. To permit the Landlord to enter the Leased Premises upon reasonable notice to inspect such repairs, improvements, alterations, or additions thereto as may be required under the provisions of this Lease.

## ARTICLE VII – USE OF PROPERTY BY TENANT

Section 1. Use. The Leased Premises may be occupied and used by the Tenant exclusively for fire suppression, fire protection, public education, rescue, extrication, hazardous materials, ambulance, emergency medical services, and related fire and emergency services administration, support, and training activities. The Tenant also may, in its discretion, permit other emergency services personnel to participate in the training activities of the Tenant's personnel or to separately conduct training; provided, however, that the Tenant shall first obtain appropriate written liability waivers and release forms from any third party and its personnel participating in training activities on the Leased Premises.

Nothing herein shall give the Tenant the right to use the Leased Premises for any other purpose or to sublease, assign, or license the use of the Leased Premises to any sublessee, assignee, or licensee, which or who shall use the Leased Premises for any other use.

## ARTICLE VIII – SIGNAGE

Section 1. Exterior Signs. The Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, and thereafter to repair or replace, if it shall so elect, signs on any portion of the Leased Premises, provided, that Tenant shall remove any such signs upon termination of this Lease, and repair all damage occasioned thereby to the Leased Premises.

Section 2. Interior Signs and Fixtures. The Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, maintain, place, and install its usual and customary signs and fixtures in the interior of the Leased Premises.

## ARTICLE IX – INSURANCE

Section 1. During the Term of this Lease, Landlord shall continue such comprehensive casualty and liability insurance for the Leased Premises as is maintained by Landlord immediately before the Commencement Date of this Lease. All such insurance will name Landlord and Tenant as insureds. The policies will provide that they may not be canceled or

altered without at least thirty (30) days prior written notice to Tenant, and the loss payable endorsement will provide that all amounts payable by reason of loss of or damage to the Leased Premises will be payable only to Landlord.

Section 2. Insurance Proceeds. Any insurance proceeds in excess of such proceeds as shall be necessary for such repair, restoration, rebuilding, replacement, or any combination thereof shall be the sole property of Landlord, and if the proceeds necessary for such repair, restoration, rebuilding, or replacement, or any combination thereof shall be inadequate to pay the cost thereof, Landlord shall suffer the deficiency.

Section 3. Subrogation. The Parties hereby release each other, to the extent of the insurance coverage provided hereunder, from any and all liability or responsibility (to the other or anyone claiming through or under the other by way of subrogation or otherwise) for any loss to or damage of property covered by the fire and extended coverage insurance policies insuring the Leased Premises and any of the Tenant's property, even if such loss or damage shall have been caused by the fault or negligence of the other Party.

#### ARTICLE X – DAMAGE TO DEMISED PREMISES

Section 1. Repairs and Restoration. The Landlord agrees that in the event of the damage or destruction of the Leased Premises, Landlord forthwith shall proceed to repair, restore, replace, or rebuild the Leased Premises (excluding the Tenant's leasehold improvements), to substantially the condition in which the same were immediately prior to such damage or destruction. The Landlord thereafter shall diligently prosecute said work to completion without delay or interruption except for events beyond the reasonable control of the Landlord.

#### ARTICLE XI – DEFAULT

##### Section 1. Landlord's Remedies.

A. In the event that:

(1) The Tenant shall be in default in the payment of rent or other charges herein required to be paid by Tenant (default herein being defined as payment received by Landlord ten (10) or more days subsequent to the due date); or

(2) Tenant has caused a lien or verified statement to be filed against the Leased Premises and said lien is not removed, or Tenant has caused such statutory steps as are necessary to have it removed, within thirty (30) days of recordation thereof; or

(3) The Tenant shall default in the observance or performance of any of the covenants and agreements required to be performed and observed by the Tenant hereunder for a period of thirty (30) days after notice to the Tenant in writing of such default (or if such default

shall reasonably take more than thirty (30) days to cure, Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion); or

(4) Sixty (60) days have elapsed after the commencement of any proceedings by or against the Tenant, whether by the filing of a petition or otherwise, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or future Federal Bankruptcy Act or any other present or future applicable federal, state, or other statute or law, whereby such proceeding shall not have been dismissed (provided, however, that the non-dismissal of any such proceeding shall not be a default hereunder so long as all of the Tenant's covenants and obligations hereunder are being performed by or on behalf of Tenant);

then the Landlord shall be entitled to its election (unless the Tenant shall cure such default prior to such election) to exercise concurrently or successively, any one or more of the following rights:

(a) Terminate this Lease by giving the Tenant notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date specified were the date herein originally fixed as the termination date of the Term, and all rights of the Tenant under this Lease and in and to the Premises shall expire and terminate, and the Tenant shall remain liable for all obligations under this Lease arising prior to the date of such termination, and the Tenant shall surrender the Leased Premises to the Landlord on the date specified in such notice; or

(b) Without terminating this Lease and with notice to the Tenant, the Landlord may, in its own name but as agent for the Tenant, enter into and upon and take possession of the Premises or any part thereof, and at the Landlord's option, remove persons and property therefrom, and such property, if any, may be removed and stored in a warehouse or elsewhere at the cost of, and for the account of the Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and the Landlord may rent the Leased Premises or any portion thereof as the agent of the Tenant with or without advertisement, and by private negotiations and for any term upon such terms and conditions as the Landlord may deem necessary or desirable in order to relet the Leased Premises. The Landlord shall in no way be responsible or liable for any rental concessions or any failure to rent the Leased Premises or any part thereof, or for any failure to collect any rent due upon such reletting. Upon such reletting, all rentals received by the Landlord from such reletting shall be applied: first, to the payment of any indebtedness (other than any rent due hereunder) from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting, including, without limitation, brokerage fees and attorney's fees and costs of alterations and repairs; third, to the payment of rent and other charges then due and unpaid hereunder; and the residue, if any shall be held by the Landlord to the extent of and for application in payment of future rent as the same may become due and payable hereunder. In reletting the Leased Premises, Landlord may grant rent concessions, and the Tenant shall not be credited therefor. If such rentals received from such reletting shall at any time or from time to time be less than

sufficient to pay to the Landlord the entire sums then due from the Tenant hereunder, Tenant shall pay any such deficiency to the Landlord. Such deficiency shall, at Landlord's option, be calculated and paid monthly. No such reletting shall be construed as an election by the Landlord to terminate this Lease, unless a written notice of such election has been given to the Tenant by the Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default provided same has not been cured; or

(c) Without liability to the Tenant or any other party and without constituting a constructive or actual eviction, suspend, or discontinue furnishing or rendering to Tenant any property, material, labor, utilities, or other service, whether the Landlord is obligated to furnish or render the same, so long as Tenant is in default under this Lease; or

(d) Pursue such other remedies as are available at law or equity.

B. Landlord's pursuit of any remedy or remedies including, without limitation, any one or more of the remedies stated herein shall not (1) constitute an election of remedies or preclude pursuit of any other remedy or remedies provided in this Lease or any other remedy or remedies provided by law or in equity, separately or concurrently or in any combination, or (2) serve as the basis for any claim of constructive eviction, or allow the Tenant to withhold any payments under this Lease.

Section 2. Landlord's Self Help. If the Tenant shall default in the performance or observance of any of its agreements or conditions in this Lease and the Tenant shall not cure such default within thirty (30) days after notice from the Landlord specifying the default (or, if such default shall reasonably take more than thirty (30) days to cure, and the Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion), Landlord may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of the Tenant, and any amount paid or contractual liability incurred by the Landlord in so doing shall be deemed paid or incurred for the account of the Tenant, and the Tenant agrees to reimburse the Landlord therefor and save the Landlord harmless therefrom; provided, however, that Landlord may cure any such default prior to the expiration of said waiting period, without notice to Tenant if an emergency situation exists, or after notice to Tenant, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Leased Premises or the Landlord's interest therein, or to prevent injury or damage to persons or property.

Section 3. Tenant's Self Help. If the Landlord shall default in the performance or observance of any of its agreements or conditions in this Lease, and if the Landlord shall not cure such default within thirty (30) days after notice from Tenant specifying the default (or, if such default shall reasonably take more than thirty (30) days to cure, and the Landlord shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion), Tenant may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of the Landlord, and any

amount paid or contractual liability incurred by the Tenant in so doing shall be deemed paid or incurred for the account of the Landlord, and the Landlord agrees to reimburse Tenant therefor and save the Tenant harmless therefrom; provided, however, that Tenant may cure any such default as aforesaid prior to the expiration of said waiting period, without notice to Landlord if an emergency situation exists, or after notice to Landlord, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Leased Premises or the Tenant's interest therein, or to prevent injury or damage to persons or property.

## ARTICLE XII – TITLE

Section 1. Quiet Enjoyment. The Landlord covenants and agrees that upon the Tenant paying the rent and observing and performing all of the terms, covenants, and conditions on the Tenant's part to be observed and performed hereunder, the Tenant may peaceably and quietly have, hold, occupy, and enjoy the Leased Premises in accordance with the terms of this Lease without hindrance or molestation from the Landlord or any persons lawfully claiming through the Landlord.

Section 2. Zoning and Good Title. The Landlord warrants and represents, upon which warranty and representation the Tenant has relied in the execution of this Lease, that the Landlord is the owner of the Leased Premises, in fee simple absolute, free and clear of all encumbrances, except for the easements, covenants, and restrictions of record as of the date of this Lease. Such exceptions shall not impede or interfere with the quiet use and enjoyment of the Leased Premises by the Tenant. The Landlord warrants that the Landlord has full right and lawful authority to execute this Lease for the Term, in the manner, and upon the conditions and provisions herein contained; that there is no legal impediment to the use of the Leased Premises as set out herein; that the Leased Premises are not subject to any easements, restrictions, zoning ordinances, or similar governmental regulations which prevent their use as set out herein; that the Leased Premises presently are zoned for the use contemplated herein and throughout the term of this Lease may continue to be so used therefor by virtue of said zoning, under the doctrine of "non-conforming use," or valid and binding decision of appropriate authority, except, however, that said representation and warranty by the Landlord shall not be applicable in the event that the Tenant's act or omission shall invalidate the application of said zoning, the doctrine of "non-conforming use" or the valid and binding decision of the appropriate authority.

## ARTICLE XIII – HOLDING OVER/WAIVERS/NOTICES

Section 1. Holding Over. In the event that the Tenant or anyone claiming under the Tenant shall continue occupancy of the Leased Premises after the expiration of the Term or any renewal or extension of the Term without any agreement in writing between the Parties with respect thereto, such occupancy shall not be deemed to extend or renew the Term, but such occupancy shall continue as a tenancy at will, from month to month, upon the covenants, provisions, and conditions herein contained. The rental shall be the rental in effect during the term of this Lease as extended or renewed, prorated and payable for the period of such occupancy.

Section 2. Waivers. Failure of either Party to complain of any act or omission on the part of the other Party, no matter how long the same may continue, shall not be deemed to be a waiver by said Party of any of its rights hereunder. No waiver by either Party at any time, express or implied, or any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either Party shall require the consent or approval of the other Party, the other Party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either Party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate, and cumulative and shall not be deemed inconsistent with each other, and no one of them, whether exercised by said Party or not, shall be deemed to be an exclusion of any other, and any two or more or all of such rights and remedies may be exercised at the same time.

Section 3. Notices. All notices and other communications authorized or required hereunder shall be in writing and shall be given by hand delivery or by mailing to the address set forth above, or such other address as a may be designated by the applicable Party, by certified mail, return receipt requested, postage prepaid. Any such notice or other communication shall be deemed to have been given when received by the Party to whom such notice or other communication shall be addressed.

#### ARTICLE XIV – PROPERTY DAMAGE

Section 1. Loss and Damage. Notwithstanding any contrary provisions of this Lease, Landlord shall not be responsible for any loss of or damage to property of the Tenant or of others located on the Leased Premises, except where caused by the intentional or negligent act or omission of the Landlord, or the Landlord's agents, employees, volunteers, or contractors; provided, however, that if the Tenant shall notify the Landlord in writing of repairs which are the responsibility of the Landlord under Article V hereof, and the Landlord shall fail to commence and diligently prosecute to completion said repairs promptly after such notice, and if after the giving of such notice, loss of or damage to the Tenant's property shall result from the condition as to which the Landlord has been notified, the Landlord shall pay the Tenant for any loss, cost, or expense arising therefrom.

Section 2. Force Majeure. In the event that either Party shall be delayed or hindered in or prevented from the performance of any act other than the Tenant's obligation to make payments of rent and other charges required hereunder, by reason of strikes, lockouts, unavailability of materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, the act, failure to act, or default of the other Party, war, or other reason beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed to be a cause beyond control of either Party.

## ARTICLE XV – MISCELLANEOUS

Section 1. Fixtures. All personal property, furnishings, and equipment presently, and all other trade fixtures installed in or hereafter by or at the expense of the Tenant and all additions and/or improvements, exclusive of structural, mechanical, electrical, and plumbing, affixed to the Leased Premises and used in the operation of the Tenant's business made to, in, or on the Leased Premises by and at the expense of the Tenant and susceptible of being removed from the Leased Premises without damage, unless such damage be repaired by the Tenant, shall remain the property of the Tenant and the Tenant may, but shall not be obligated to, remove the same or any part thereof at any time or times during the Term hereof, provided that the Tenant, at its sole cost and expense, shall make any repairs occasioned by such removal.

Section 2. Estoppel Certificates. At any time and from time to time, each Party agrees, upon request in writing from the other Party, to execute, acknowledge, and deliver to the other Party or to any person designated by the other Party a statement in writing certifying that the Lease is unmodified and is in full force and effect, or if there have been modifications, that the same is in full force and effect as modified (stating the modifications), that the other Party is not in default in the performance of its covenants hereunder, or if there have been such defaults, specifying the same, and the dates to which the rent and other charges have been paid.

Section 3. Invalidity of Particular Provision. If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, and provided that this Lease may still be performed in accordance with the Parties' intent, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 4. Captions and Definitions of Parties. The captions of the Sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. Except as in this Lease otherwise provided, the terms and provisions of this Lease shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Nothing contained herein shall be deemed or construed by the Parties or by any third party as creating the relationship of principal and agent or of partnership or of a joint venture between the Parties, it being understood and agreed that neither any provision contained herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of Landlord and Tenant.

Section 5. Entire Agreement. Except for the Establishing IGA between the Parties, which shall remain in full force and effect, this instrument contains the entire and only agreement between the Parties, and no oral statements or representations or prior written matter not

contained in this instrument shall have any force and effect. In the event of a conflict, however, between this Agreement and the Establishing IGA, the Establishing IGA shall control. This Lease shall not be amended or modified in any way except by a writing executed by the Parties. Course of performance, no matter how long it may continue, shall not be deemed an amendment or modification of this Lease.

Section 6. Governmental Immunity. Nothing in this Lease shall be construed as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties, or their directors, officers, employees, volunteers, or agents, under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

Section 7. Non-Appropriation. All direct and indirect financial obligations of a Party under this Agreement are subject to annual appropriation of the funds necessary to meet such obligations. If either Party's governing body fails to appropriate funds necessary to meet that Party's obligations under this Agreement for the ensuing fiscal year, this Agreement shall terminate at the end of the year in which the non-appropriation occurred, and neither Party shall have liability to the other Party beyond those obligations for which the Party previously appropriated funds.

Section 8. Governing Law; Jurisdiction and Venue. All matters pertaining to this Lease (including its interpretation, application, validity, performance, and breach) shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. Jurisdiction and venue shall lie exclusively in the Larimer County District Court. In any dispute arising from or relating to this Lease, the prevailing Party shall be awarded its attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting upon any judgment, order, or award.

**[SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

Signed, sealed, and delivered in the presence of:

**LANDLORD: City of Loveland**, a Colorado home rule municipality

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**TENANT: Loveland Fire Rescue Authority**, a public entity of the State of Colorado

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**EXHIBIT A**

Training Site Description

## NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT (City of Loveland Fire Stations 1, 2, 3, 4, 5, and 6)

THIS NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT ("*Lease*") is entered into by and between the City of Loveland, a home-rule municipality of the State of Colorado, whose address is 500 E. 3rd Street, Loveland, CO 80537 ("*Landlord*"), and the Loveland Fire Rescue Authority, a public entity of the State of Colorado, whose address is 410 E. 5th Street, Loveland, CO ~~410 E. 5th Street, Loveland, CO~~ 80537 ("*Tenant*"). The Landlord and the Tenant are referred to collectively as the "*Parties*" and individually as a "*Party*".

### ARTICLE I – GRANT OF LEASE

The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the Tenant, does hereby lease to the Tenant, and the Tenant does hereby lease from the Landlord, the real property described in **Exhibit A**, attached hereto and incorporated by reference herein ("*Leased Premises*"), together with all improvements located thereon on the Commencement Date (defined below). The Landlord further leases to the Tenant all Opticom and other information technology systems, components, equipment, hardware, and software located on the Leased Premises, including, without limitation, laptop and desktop computers, tablets, facsimiles, and telephones.

### ARTICLE II – LEASE TERM

Section 1. Total Term of Lease. The term of this Lease begins on the Commencement Date, as defined in Section 2 of this Article II, and terminates fifty (50) years from the Commencement Date ("*Term*"), unless sooner terminated in accordance with Section 3 of this Article II.

Section 2. Commencement Date. The "*Commencement Date*" means the date the last Party signs this Agreement.

Section 3. Termination for Business Reason. Tenant may terminate this Lease for any reason upon one (1) year's prior written notice to Landlord. Landlord may terminate this Lease for any business reason if Landlord offers Tenant comparable alternative space, at the same rental rate and on the same terms and conditions set forth herein, for the balance of the original fifty (50) year term, which alternative space is acceptable to Tenant and from which Tenant can engage in the uses described in Section 1 of Article VIII below. Termination by Landlord for any business reason shall be effective one (1) year after Tenant's acceptance of the comparable alternative space, which acceptance shall not be unreasonably withheld. For purposes of this paragraph, "business reason" shall mean a legitimate reason related to the administration or operation of Landlord's business, and/or Landlord's financial condition or economic circumstances.

### ARTICLE III – EXTENSIONS

The Parties may elect to extend the Term upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

#### ARTICLE IV – DETERMINATION OF RENT

The Tenant agrees to pay the Landlord and the Landlord agrees to accept, during the Term, at such place as the Landlord shall from time to time direct by notice to the Tenant, rent at the following rates and times:

Annual rent for the Term shall be One Dollar (\$1.00) each year, due on the month and day of the Commencement Date.

#### ARTICLE V – OBLIGATIONS FOR MAINTENANCE, REPAIRS, AND ALTERATIONS; UTILITIES

Section 1. Routine Maintenance and Repairs. During the Term of this Lease, Tenant, at its own cost and expense, shall be responsible for all routine maintenance and repair of the Leased Premises, including without limitation such regular preventative maintenance and incidental repairs as are necessary to keep the Leased Premises in good order, operating condition, and repair. If provided pursuant to that certain Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity dated August 19, 2011 between the City of Loveland and the Loveland Rural Fire Protection District, including all subsequent amendments thereto (collectively, the "***Establishing IGA***"), the Tenant shall utilize and pay for the facilities support services to be provided by the City of Loveland to the Loveland Fire Rescue Authority under the Establishing IGA ("***Facilities Support Services***") in effecting such routine maintenance and repairs of the Leased Premises pursuant to this Section 1, to the extent such routine maintenance and repairs are included within the scope of the Facilities Support Services.

Section 2. Capital Improvements and Major Maintenance and Repairs. During the Term of this Lease, Landlord, at its own cost and expense, shall be responsible for all capital improvements and major maintenance and repairs of the Leased Premises, including without limitation such structural repairs, replacements, alterations, and upgrades as are necessary to keep the Leased Premises in good order, operating condition, and repair, and/or to enhance the value or extend the life of the Leased Premises.

Section 3. Tenant's Alterations. The Tenant shall have the right, at its sole expense, from time to time, to redecorate the Leased Premises and to make such non-structural alterations and changes in such parts thereof as the Tenant shall deem expedient or necessary for its purposes; provided, however, that such alterations and changes shall neither impair the structural soundness nor diminish the value of the Leased Premises. The Tenant may make structural alterations and additions to the Leased Premises provided that Tenant has first obtained the written consent of the Landlord. The Landlord agrees that it shall not withhold such consent unreasonably. The Landlord shall execute and deliver upon the request of the Tenant such instrument or instruments embodying the approval of the Landlord which may be required by the public or quasi-public authority for the purpose of obtaining any licenses or permits for the making of such alterations, changes, and/or installations in, to, or upon the Leased Premises, and the Tenant agrees to pay for such licenses or permits.

Section 4. Permits and Expenses. Each Party agrees that it will procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable. Each Party shall give written notice to the other Party of any repairs required of the other pursuant to the provisions of this Article, and the Party responsible for said repairs agrees promptly to commence such repairs and to diligently prosecute the same to completion, subject, however, to the delays occasioned by events beyond the control of such Party.

Each Party agrees to pay promptly when due the entire cost of any work performed by it upon the Leased Premises so that the Leased Premises at all times shall be free of liens or verified statements for labor and materials. Each Party further agrees that in performing such work that it will employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner.

Section 5. Utilities. Tenant shall pay for all water, sanitation, sewer, electricity, light, heat, gas, power, fuel, janitorial, and other services incident to Tenant's use of the Leased Premises, that are directly charged or imposed against the Leased Premises, or which the Parties mutually agree should be allocated against the Leased Premises (collectively, "*Utilities Services*"). If provided pursuant to the Establishing IGA, some or all of the Utilities Services may be included and paid for by the Tenant as part of the City of Loveland's Facilities Support Services.

## ARTICLE VI – TENANT'S COVENANTS

Section 1. Tenant's Covenants. Tenant covenants and agrees as follows:

A. To procure any licenses and permits required for any use made of the Leased Premises by the Tenant, and upon the expiration or termination of this Lease, to remove its goods and effects and those of all persons claiming under it, and to yield up peaceably to Landlord the Leased Premises in good order, repair, and condition in all respects; excepting only damage by fire and casualty covered by the insurance coverage, structural repairs (unless the Tenant is obligated to make such repairs hereunder), and reasonable wear and tear.

B. To permit the Landlord to enter the Leased Premises upon reasonable notice to inspect such repairs, improvements, alterations, or additions thereto as may be required under the provisions of this Lease.

## ARTICLE VII – USE OF PROPERTY BY TENANT

Section 1. Use. The Leased Premises may be occupied and used by the Tenant exclusively for fire suppression, fire protection, public education, rescue, extrication, hazardous materials, ambulance, emergency medical services, and related fire and emergency services administration, support, and training activities. The Tenant also may, in its discretion, permit other emergency services personnel to participate in the training activities of the Tenant's personnel or to separately conduct training; provided, however, that the Tenant shall first obtain appropriate written liability waivers and release forms from any third party and its personnel participating in training activities on the Leased Premises.

Nothing herein shall give the Tenant the right to use the Leased Premises for any other purpose or to sublease, assign, or license the use of the Leased Premises to any sublessee, assignee, or licensee, which or who shall use the Leased Premises for any other use.

#### ARTICLE VIII – SIGNAGE

Section 1. Exterior Signs. The Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, and thereafter to repair or replace, if it shall so elect, signs on any portion of the Leased Premises, provided, that Tenant shall remove any such signs upon termination of this Lease, and repair all damage occasioned thereby to the Leased Premises.

Section 2. Interior Signs and Fixtures. The Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, maintain, place, and install its usual and customary signs and fixtures in the interior of the Leased Premises.

#### ARTICLE IX – INSURANCE

Section 1. During the Term of this Lease, Landlord shall continue such comprehensive casualty and liability insurance for the Leased Premises as is maintained by Landlord immediately before the Commencement Date of this Lease. All such insurance will name Landlord and Tenant as insureds. The policies will provide that they may not be canceled or altered without at least thirty (30) days prior written notice to Tenant, and the loss payable endorsement will provide that all amounts payable by reason of loss of or damage to the Leased Premises will be payable only to Landlord.

Section 2. Insurance Proceeds. Any insurance proceeds in excess of such proceeds as shall be necessary for such repair, restoration, rebuilding, replacement, or any combination thereof shall be the sole property of Landlord, and if the proceeds necessary for such repair, restoration, rebuilding, or replacement, or any combination thereof shall be inadequate to pay the cost thereof, Landlord shall suffer the deficiency.

Section 3. Subrogation. The Parties hereby release each other, to the extent of the insurance coverage provided hereunder, from any and all liability or responsibility (to the other or anyone claiming through or under the other by way of subrogation or otherwise) for any loss to or damage of property covered by the fire and extended coverage insurance policies insuring the Leased Premises and any of the Tenant's property, even if such loss or damage shall have been caused by the fault or negligence of the other Party.

#### ARTICLE X – DAMAGE TO DEMISED PREMISES

Section 1. Repairs and Restoration. The Landlord agrees that in the event of the damage or destruction of the Leased Premises, Landlord forthwith shall proceed to repair, restore, replace, or rebuild the Leased Premises (excluding the Tenant's leasehold improvements), to substantially the condition in which the same were immediately prior to such damage or

destruction. The Landlord thereafter shall diligently prosecute said work to completion without delay or interruption except for events beyond the reasonable control of the Landlord.

## ARTICLE XI – DEFAULT

### Section 1. Landlord's Remedies.

A. In the event that:

(1) The Tenant shall be in default in the payment of rent or other charges herein required to be paid by Tenant (default herein being defined as payment received by Landlord ten (10) or more days subsequent to the due date); or

(2) Tenant has caused a lien or verified statement to be filed against the Leased Premises and said lien is not removed, or Tenant has caused such statutory steps as are necessary to have it removed, within thirty (30) days of recordation thereof; or

(3) The Tenant shall default in the observance or performance of any of the covenants and agreements required to be performed and observed by the Tenant hereunder for a period of thirty (30) days after notice to the Tenant in writing of such default (or if such default shall reasonably take more than thirty (30) days to cure, Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion); or

(4) Sixty (60) days have elapsed after the commencement of any proceedings by or against the Tenant, whether by the filing of a petition or otherwise, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or future Federal Bankruptcy Act or any other present or future applicable federal, state, or other statute or law, whereby such proceeding shall not have been dismissed (provided, however, that the non-dismissal of any such proceeding shall not be a default hereunder so long as all of the Tenant's covenants and obligations hereunder are being performed by or on behalf of Tenant);

then the Landlord shall be entitled to its election (unless the Tenant shall cure such default prior to such election) to exercise concurrently or successively, any one or more of the following rights:

(a) Terminate this Lease by giving the Tenant notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date specified were the date herein originally fixed as the termination date of the Term, and all rights of the Tenant under this Lease and in and to the Premises shall expire and terminate, and the Tenant shall remain liable for all obligations under this Lease arising prior to the date of such termination, and the Tenant shall surrender the Leased Premises to the Landlord on the date specified in such notice; or

(b) Without terminating this Lease and with notice to the Tenant, the Landlord may, in its own name but as agent for the Tenant, enter into and upon and take possession of the

Premises or any part thereof, and at the Landlord's option, remove persons and property therefrom, and such property, if any, may be removed and stored in a warehouse or elsewhere at the cost of, and for the account of the Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and the Landlord may rent the Leased Premises or any portion thereof as the agent of the Tenant with or without advertisement, and by private negotiations and for any term upon such terms and conditions as the Landlord may deem necessary or desirable in order to relet the Leased Premises. The Landlord shall in no way be responsible or liable for any rental concessions or any failure to rent the Leased Premises or any part thereof, or for any failure to collect any rent due upon such reletting. Upon such reletting, all rentals received by the Landlord from such reletting shall be applied: first, to the payment of any indebtedness (other than any rent due hereunder) from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting, including, without limitation, brokerage fees and attorney's fees and costs of alterations and repairs; third, to the payment of rent and other charges then due and unpaid hereunder; and the residue, if any shall be held by the Landlord to the extent of and for application in payment of future rent as the same may become due and payable hereunder. In reletting the Leased Premises, Landlord may grant rent concessions, and the Tenant shall not be credited therefor. If such rentals received from such reletting shall at any time or from time to time be less than sufficient to pay to the Landlord the entire sums then due from the Tenant hereunder, Tenant shall pay any such deficiency to the Landlord. Such deficiency shall, at Landlord's option, be calculated and paid monthly. No such reletting shall be construed as an election by the Landlord to terminate this Lease, unless a written notice of such election has been given to the Tenant by the Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default provided same has not been cured; or

(c) Without liability to the Tenant or any other party and without constituting a constructive or actual eviction, suspend, or discontinue furnishing or rendering to Tenant any property, material, labor, utilities, or other service, whether the Landlord is obligated to furnish or render the same, so long as Tenant is in default under this Lease; or

(d) Pursue such other remedies as are available at law or equity.

B. Landlord's pursuit of any remedy or remedies including, without limitation, any one or more of the remedies stated herein shall not (1) constitute an election of remedies or preclude pursuit of any other remedy or remedies provided in this Lease or any other remedy or remedies provided by law or in equity, separately or concurrently or in any combination, or (2) serve as the basis for any claim of constructive eviction, or allow the Tenant to withhold any payments under this Lease.

Section 2. Landlord's Self Help. If the Tenant shall default in the performance or observance of any of its agreements or conditions in this Lease and the Tenant shall not cure such default within thirty (30) days after notice from the Landlord specifying the default (or, if such default shall reasonably take more than thirty (30) days to cure, and the Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion), Landlord may, at its option, without waiving any claim for damages for breach of

agreement, at any time thereafter cure such default for the account of the Tenant, and any amount paid or contractual liability incurred by the Landlord in so doing shall be deemed paid or incurred for the account of the Tenant, and the Tenant agrees to reimburse the Landlord therefor and save the Landlord harmless therefrom; provided, however, that Landlord may cure any such default prior to the expiration of said waiting period, without notice to Tenant if an emergency situation exists, or after notice to Tenant, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Leased Premises or the Landlord's interest therein, or to prevent injury or damage to persons or property.

Section 3. Tenant's Self Help. If the Landlord shall default in the performance or observance of any of its agreements or conditions in this Lease, and if the Landlord shall not cure such default within thirty (30) days after notice from Tenant specifying the default (or, if such default shall reasonably take more than thirty (30) days to cure, and the Landlord shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion), Tenant may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of the Landlord, and any amount paid or contractual liability incurred by the Tenant in so doing shall be deemed paid or incurred for the account of the Landlord, and the Landlord agrees to reimburse Tenant therefor and save the Tenant harmless therefrom; provided, however, that Tenant may cure any such default as aforesaid prior to the expiration of said waiting period, without notice to Landlord if an emergency situation exists, or after notice to Landlord, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Leased Premises or the Tenant's interest therein, or to prevent injury or damage to persons or property.

## ARTICLE XII – TITLE

Section 1. Quiet Enjoyment. The Landlord covenants and agrees that upon the Tenant paying the rent and observing and performing all of the terms, covenants, and conditions on the Tenant's part to be observed and performed hereunder, the Tenant may peaceably and quietly have, hold, occupy, and enjoy the Leased Premises in accordance with the terms of this Lease without hindrance or molestation from the Landlord or any persons lawfully claiming through the Landlord.

Section 2. Zoning and Good Title. The Landlord warrants and represents, upon which warranty and representation the Tenant has relied in the execution of this Lease, that the Landlord is the owner of the Leased Premises, in fee simple absolute, free and clear of all encumbrances, except for the easements, covenants, and restrictions of record as of the date of this Lease. Such exceptions shall not impede or interfere with the quiet use and enjoyment of the Leased Premises by the Tenant. The Landlord warrants that the Landlord has full right and lawful authority to execute this Lease for the Term, in the manner, and upon the conditions and provisions herein contained; that there is no legal impediment to the use of the Leased Premises as set out herein; that the Leased Premises are not subject to any easements, restrictions, zoning ordinances, or similar governmental regulations which prevent their use as set out herein; that the Leased Premises presently are zoned for the use contemplated herein and throughout the term of this Lease may continue to be so used therefor by virtue of said zoning, under the doctrine of "non-conforming use," or valid and binding decision of appropriate authority, except, however,

that said representation and warranty by the Landlord shall not be applicable in the event that the Tenant's act or omission shall invalidate the application of said zoning, the doctrine of "non-conforming use" or the valid and binding decision of the appropriate authority.

### ARTICLE XIII – HOLDING OVER/WAIVERS/NOTICES

Section 1. Holding Over. In the event that the Tenant or anyone claiming under the Tenant shall continue occupancy of the Leased Premises after the expiration of the Term or any renewal or extension of the Term without any agreement in writing between the Parties with respect thereto, such occupancy shall not be deemed to extend or renew the Term, but such occupancy shall continue as a tenancy at will, from month to month, upon the covenants, provisions, and conditions herein contained. The rental shall be the rental in effect during the term of this Lease as extended or renewed, prorated and payable for the period of such occupancy.

Section 2. Waivers. Failure of either Party to complain of any act or omission on the part of the other Party, no matter how long the same may continue, shall not be deemed to be a waiver by said Party of any of its rights hereunder. No waiver by either Party at any time, express or implied, or any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either Party shall require the consent or approval of the other Party, the other Party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either Party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate, and cumulative and shall not be deemed inconsistent with each other, and no one of them, whether exercised by said Party or not, shall be deemed to be an exclusion of any other, and any two or more or all of such rights and remedies may be exercised at the same time.

Section 3. Notices. All notices and other communications authorized or required hereunder shall be in writing and shall be given by hand delivery or by mailing to the address set forth above, or such other address as a may be designated by the applicable Party, by certified mail, return receipt requested, postage prepaid. Any such notice or other communication shall be deemed to have been given when received by the Party to whom such notice or other communication shall be addressed.

### ARTICLE XIV – PROPERTY DAMAGE

Section 1. Loss and Damage. Notwithstanding any contrary provisions of this Lease, Landlord shall not be responsible for any loss of or damage to property of the Tenant or of others located on the Leased Premises, except where caused by the intentional or negligent act or omission of the Landlord, or the Landlord's agents, employees, volunteers, or contractors; provided, however, that if the Tenant shall notify the Landlord in writing of repairs which are the responsibility of the Landlord under Article V hereof, and the Landlord shall fail to commence and diligently prosecute to completion said repairs promptly after such notice, and if after the giving of such notice, loss of or damage to the Tenant's property shall result from the condition

as to which the Landlord has been notified, the Landlord shall pay the Tenant for any loss, cost, or expense arising therefrom.

Section 2. Force Majeure. In the event that either Party shall be delayed or hindered in or prevented from the performance of any act other than the Tenant's obligation to make payments of rent and other charges required hereunder, by reason of strikes, lockouts, unavailability of materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, the act, failure to act, or default of the other Party, war, or other reason beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed to be a cause beyond control of either Party.

## ARTICLE XV – MISCELLANEOUS

Section 1. Fixtures. All personal property, furnishings, and equipment presently, and all other trade fixtures installed in or hereafter by or at the expense of the Tenant and all additions and/or improvements, exclusive of structural, mechanical, electrical, and plumbing, affixed to the Leased Premises and used in the operation of the Tenant's business made to, in, or on the Leased Premises by and at the expense of the Tenant and susceptible of being removed from the Leased Premises without damage, unless such damage be repaired by the Tenant, shall remain the property of the Tenant and the Tenant may, but shall not be obligated to, remove the same or any part thereof at any time or times during the Term hereof, provided that the Tenant, at its sole cost and expense, shall make any repairs occasioned by such removal.

Section 2. Estoppel Certificates. At any time and from time to time, each Party agrees, upon request in writing from the other Party, to execute, acknowledge, and deliver to the other Party or to any person designated by the other Party a statement in writing certifying that the Lease is unmodified and is in full force and effect, or if there have been modifications, that the same is in full force and effect as modified (stating the modifications), that the other Party is not in default in the performance of its covenants hereunder, or if there have been such defaults, specifying the same, and the dates to which the rent and other charges have been paid.

Section 3. Invalidity of Particular Provision. If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, and provided that this Lease may still be performed in accordance with the Parties' intent, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 4. Captions and Definitions of Parties. The captions of the Sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. Except as in this Lease otherwise provided, the terms and provisions of this Lease shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Nothing contained herein shall be deemed or construed by the Parties or by any third party as creating the relationship of principal and agent or of partnership or of a joint venture between the Parties, it being understood and agreed that neither any provision contained herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of Landlord and Tenant.

Section 5. Entire Agreement. This instrument contains the entire and only agreement between the Parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. This Lease shall not be amended or modified in any way except by a writing executed by the Parties. Course of performance, no matter how long it may continue, shall not be deemed an amendment or modification of this Lease.

Section 6. Governmental Immunity. Nothing in this Lease shall be construed as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties, or their directors, officers, employees, volunteers, or agents, under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

Section 7. Non-Appropriation. All direct and indirect financial obligations of a Party under this Agreement are subject to annual appropriation of the funds necessary to meet such obligations. If either Party's governing body fails to appropriate funds necessary to meet that Party's obligations under this Agreement for the ensuing fiscal year, this Agreement shall terminate at the end of the year in which the non-appropriation occurred, and neither Party shall have liability to the other Party beyond those obligations for which the Party previously appropriated funds.

Section 8. Governing Law; Jurisdiction and Venue. All matters pertaining to this Lease (including its interpretation, application, validity, performance, and breach) shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. Jurisdiction and venue shall lie exclusively in the Larimer County District Court. In any dispute arising from or relating to this Lease, the prevailing Party shall be awarded its attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting upon any judgment, order, or award.

**[SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year below written.

Signed, sealed, and delivered in the presence of:

**LANDLORD: City of Loveland**, a Colorado home rule municipality

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**TENANT: Loveland Fire Rescue Authority**, a public entity of the State of Colorado

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**EXHIBIT A**

Fire Station 1 Legal Description

Fire Station 2 Legal Description

Fire Station 3 Legal Description

Fire Station 4 Legal Description

Fire Station 5 Legal Description

Fire Station 6 Legal Description

## NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT (Loveland Rural Fire Protection District Fire Stations **4, 7, 8 and 89**)

THIS NON-RESIDENTIAL REAL PROPERTY LEASE AGREEMENT ("*Lease*") is entered into by and between the Loveland Rural Fire Protection District, a political subdivision of the State of Colorado, whose address is 1423 W. 29<sup>th</sup> Street, Loveland, CO 80538 ("*Landlord*"), and the Loveland Fire Rescue Authority, a public entity of the State of Colorado, whose address is 410 E. 5th Street, Loveland, CO ~~410 E. 5th Street, Loveland, CO~~ 80537 ("*Tenant*"). The Landlord and the Tenant are referred to collectively as the "*Parties*" and individually as a "*Party*".

### ARTICLE I – GRANT OF LEASE

The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the Tenant, does hereby lease to the Tenant, and the Tenant does hereby lease from the Landlord, the real property described in **Exhibit A**, attached hereto and incorporated by reference herein ("*Leased Premises*"), together with all improvements located thereon on the Commencement Date (defined below). The Landlord further leases to the Tenant all Opticom and other information technology systems, components, equipment, hardware, and software located on the Leased Premises, including, without limitation, laptop and desktop computers, tablets, facsimiles, and telephones.

### ARTICLE II – LEASE TERM

Section 1. Total Term of Lease. The term of this Lease begins on the Commencement Date, as defined in Section 2 of this Article II, and terminates fifty (50) years from the Commencement Date ("*Term*").

Section 2. Commencement Date. The "*Commencement Date*" means the date the last Party signs this Agreement.

Section 3. Termination for Business Reason. Tenant may terminate this Lease for any reason upon one (1) year's prior written notice to Landlord. Landlord may terminate this Lease for any business reason if Landlord offers Tenant comparable alternative space, at the same rental rate and on the same terms and conditions set forth herein, for the balance of the original fifty (50) year term, which alternative space is acceptable to Tenant and from which Tenant can engage in the uses described in Section 1 of Article VIII below. Termination by Landlord for any business reason shall be effective one (1) year after Tenant's acceptance of the comparable alternative space, which acceptance shall not be unreasonably withheld. For purposes of this paragraph, "business reason" shall mean a legitimate reason related to the administration or operation of Landlord's business, and/or Landlord's financial condition or economic circumstances.

### ARTICLE III – EXTENSIONS

The Parties may elect to extend the Term upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

#### ARTICLE IV – DETERMINATION OF RENT

The Tenant agrees to pay the Landlord and the Landlord agrees to accept, during the Term, at such place as the Landlord shall from time to time direct by notice to the Tenant, rent at the following rates and times:

Section 1. Annual Rent. Annual rent for the Term shall be One Dollar (\$1.00) each year, due on the month and day of the Commencement Date.

#### ARTICLE V – OBLIGATIONS FOR MAINTENANCE, REPAIRS, AND ALTERATIONS; UTILITIES

Section 1. Routine Maintenance and Repairs. During the Term of this Lease, Tenant, at its own cost and expense, shall be responsible for all routine maintenance and repair of the Leased Premises, including without limitation such regular preventative maintenance and incidental repairs as are necessary to keep the Leased Premises in good order, operating condition, and repair.

Section 2. Capital Improvements and Major Maintenance and Repairs. During the Term of this Lease, Landlord, at its own cost and expense, shall be responsible for all capital improvements and major maintenance and repairs of the Leased Premises, including without limitation such structural repairs, replacements, alterations, and upgrades as are necessary to keep the Leased Premises in good order, operating condition, and repair, and/or to enhance the value or extend the life of the Leased Premises.

Section 3. Tenant's Alterations. The Tenant shall have the right, at its sole expense, from time to time, to redecorate the Leased Premises and to make such non-structural alterations and changes in such parts thereof as the Tenant shall deem expedient or necessary for its purposes; provided, however, that such alterations and changes shall neither impair the structural soundness nor diminish the value of the Leased Premises. The Tenant may make structural alterations and additions to the Leased Premises provided that Tenant has first obtained the written consent of the Landlord. The Landlord agrees that it shall not withhold such consent unreasonably. The Landlord shall execute and deliver upon the request of the Tenant such instrument or instruments embodying the approval of the Landlord which may be required by the public or quasi-public authority for the purpose of obtaining any licenses or permits for the making of such alterations, changes, and/or installations in, to, or upon the Leased Premises, and the Tenant agrees to pay for such licenses or permits.

Section 4. Permits and Expenses. Each Party agrees that it will procure all necessary permits for making any repairs, alterations, or other improvements for installations, when applicable. Each Party shall give written notice to the other Party of any repairs required of the other pursuant to the provisions of this Article, and the Party responsible for said repairs agrees promptly to commence such repairs and to diligently prosecute the same to completion, subject, however, to the delays occasioned by events beyond the control of such Party.

Each Party agrees to pay promptly when due the entire cost of any work performed by it upon the Leased Premises so that the Leased Premises at all times shall be free of liens or verified statements for labor and materials. Each Party further agrees that in performing such work that it will employ materials of good quality and comply with all governmental requirements, and perform such work in a good and workmanlike manner.

Section 5. Utilities. Tenant shall pay for all water, sanitation, sewer, electricity, light, heat, gas, power, fuel, janitorial, and other services incident to Tenant's use of the Leased Premises, that are directly charged or imposed against the Leased Premises, or which the Parties mutually agree should be allocated against the Leased Premises.

## ARTICLE VI – TENANT'S COVENANTS

Section 1. Tenant's Covenants. Tenant covenants and agrees as follows:

A. To procure any licenses and permits required for any use made of the Leased Premises by the Tenant, and upon the expiration or termination of this Lease, to remove its goods and effects and those of all persons claiming under it, and to yield up peaceably to Landlord the Leased Premises in good order, repair, and condition in all respects; excepting only damage by fire and casualty covered by the insurance coverage, structural repairs (unless the Tenant is obligated to make such repairs hereunder), and reasonable wear and tear.

B. To permit the Landlord to enter the Leased Premises upon reasonable notice to inspect such repairs, improvements, alterations, or additions thereto as may be required under the provisions of this Lease.

## ARTICLE VII – USE OF PROPERTY BY TENANT

Section 1. Use. The Leased Premises may be occupied and used by the Tenant exclusively for fire suppression, fire protection, public education, rescue, extrication, hazardous materials, ambulance, emergency medical services, and related fire and emergency services administration, support, and training activities. The Tenant may also, in its discretion, permit other emergency services personnel to participate in the training activities of the Tenant's personnel or to separately conduct training; provided, however, that the Tenant shall first obtain appropriate written liability waivers and release forms from any third party and its personnel participating in training activities on the Leased Premises.

Nothing herein shall give the Tenant the right to use the Leased Premises for any other purpose or to sublease, assign, or license the use of the Leased Premises to any sublessee, assignee, or licensee, which or who shall use the Leased Premises for any other use.

## ARTICLE VIII – SIGNAGE

Section 1. Exterior Signs. The Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, and thereafter to repair or replace, if it shall so elect, signs on any portion of the Leased Premises, provided, that Tenant shall remove any such signs upon termination of this Lease, and repair all damage occasioned thereby to the Leased Premises.

Section 2. Interior Signs and Fixtures. The Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, maintain, place, and install its usual and customary signs and fixtures in the interior of the Leased Premises.

## ARTICLE IX – INSURANCE

Section 1. During the Term of this Lease, Landlord shall continue such comprehensive casualty and liability insurance for the Leased Premises as is maintained by Landlord immediately before the Commencement Date of this Lease. All such insurance will name Landlord and Tenant as insureds. The policies will provide that they may not be canceled or altered without at least thirty (30) days prior written notice to Tenant, and the loss payable endorsement will provide that all amounts payable by reason of loss of or damage to the Leased Premises will be payable only to Landlord.

Section 2. Insurance Proceeds. Any insurance proceeds in excess of such proceeds as shall be necessary for such repair, restoration, rebuilding, replacement, or any combination thereof shall be the sole property of Landlord, and if the proceeds necessary for such repair, restoration, rebuilding, or replacement, or any combination thereof shall be inadequate to pay the cost thereof, Landlord shall suffer the deficiency.

Section 3. Subrogation. The Parties hereby release each other, to the extent of the insurance coverage provided hereunder, from any and all liability or responsibility (to the other or anyone claiming through or under the other by way of subrogation or otherwise) for any loss to or damage of property covered by the fire and extended coverage insurance policies insuring the Leased Premises and any of the Tenant's property, even if such loss or damage shall have been caused by the fault or negligence of the other Party.

## ARTICLE X – DAMAGE TO DEMISED PREMISES

Section 1. Repairs and Restoration. The Landlord agrees that in the event of the damage or destruction of the Leased Premises, Landlord forthwith shall proceed to repair, restore, replace, or rebuild the Leased Premises (excluding the Tenant's leasehold improvements), to substantially the condition in which the same were immediately prior to such damage or destruction. The Landlord thereafter shall diligently prosecute said work to completion without delay or interruption except for events beyond the reasonable control of the Landlord.

## ARTICLE XI – DEFAULT

Section 1. Landlord's Remedies.

A. In the event that:

(1) The Tenant shall be in default in the payment of rent or other charges herein required to be paid by Tenant (default herein being defined as payment received by Landlord ten (10) or more days subsequent to the due date); or

(2) Tenant has caused a lien or verified statement to be filed against the Leased Premises and said lien is not removed, or Tenant has caused such statutory steps as are necessary to have it removed, within thirty (30) days of recordation thereof; or

(3) The Tenant shall default in the observance or performance of any of the covenants and agreements required to be performed and observed by the Tenant hereunder for a period of thirty (30) days after notice to the Tenant in writing of such default (or if such default shall reasonably take more than thirty (30) days to cure, Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion); or

(4) Sixty (60) days have elapsed after the commencement of any proceedings by or against the Tenant, whether by the filing of a petition or otherwise, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or future Federal Bankruptcy Act or any other present or future applicable federal, state, or other statute or law, whereby such proceeding shall not have been dismissed (provided, however, that the non-dismissal of any such proceeding shall not be a default hereunder so long as all of the Tenant's covenants and obligations hereunder are being performed by or on behalf of Tenant);

then the Landlord shall be entitled to its election (unless the Tenant shall cure such default prior to such election) to exercise concurrently or successively, any one or more of the following rights:

(a) Terminate this Lease by giving the Tenant notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date specified were the date herein originally fixed as the termination date of the Term, and all rights of the Tenant under this Lease and in and to the Premises shall expire and terminate, and the Tenant shall remain liable for all obligations under this Lease arising prior to the date of such termination, and the Tenant shall surrender the Leased Premises to the Landlord on the date specified in such notice; or

(b) Without terminating this Lease and with notice to the Tenant, the Landlord may, in its own name but as agent for the Tenant, enter into and upon and take possession of the Premises or any part thereof, and at the Landlord's option, remove persons and property therefrom, and such property, if any, may be removed and stored in a warehouse or elsewhere at the cost of, and for the account of the Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and the Landlord may rent the Leased Premises or any portion thereof as the agent of the Tenant with or without advertisement, and by private negotiations and for any term upon such terms and conditions as the Landlord may deem necessary or desirable in order to relet the Leased Premises. The

Landlord shall in no way be responsible or liable for any rental concessions or any failure to rent the Leased Premises or any part thereof, or for any failure to collect any rent due upon such reletting. Upon such reletting, all rentals received by the Landlord from such reletting shall be applied: first, to the payment of any indebtedness (other than any rent due hereunder) from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting, including, without limitation, brokerage fees and attorney's fees and costs of alterations and repairs; third, to the payment of rent and other charges then due and unpaid hereunder; and the residue, if any shall be held by the Landlord to the extent of and for application in payment of future rent as the same may become due and payable hereunder. In reletting the Leased Premises, Landlord may grant rent concessions, and the Tenant shall not be credited therefor. If such rentals received from such reletting shall at any time or from time to time be less than sufficient to pay to the Landlord the entire sums then due from the Tenant hereunder, Tenant shall pay any such deficiency to the Landlord. Such deficiency shall, at Landlord's option, be calculated and paid monthly. No such reletting shall be construed as an election by the Landlord to terminate this Lease, unless a written notice of such election has been given to the Tenant by the Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default provided same has not been cured; or

(c) Without liability to the Tenant or any other party and without constituting a constructive or actual eviction, suspend, or discontinue furnishing or rendering to Tenant any property, material, labor, utilities, or other service, whether the Landlord is obligated to furnish or render the same, so long as Tenant is in default under this Lease; or

(d) Pursue such other remedies as are available at law or equity.

B. Landlord's pursuit of any remedy or remedies including, without limitation, any one or more of the remedies stated herein shall not (1) constitute an election of remedies or preclude pursuit of any other remedy or remedies provided in this Lease or any other remedy or remedies provided by law or in equity, separately or concurrently or in any combination, or (2) serve as the basis for any claim of constructive eviction, or allow the Tenant to withhold any payments under this Lease.

Section 2. Landlord's Self Help. If the Tenant shall default in the performance or observance of any of its agreements or conditions in this Lease and the Tenant shall not cure such default within thirty (30) days after notice from the Landlord specifying the default (or, if such default shall reasonably take more than thirty (30) days to cure, and the Tenant shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion), Landlord may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of the Tenant, and any amount paid or contractual liability incurred by the Landlord in so doing shall be deemed paid or incurred for the account of the Tenant, and the Tenant agrees to reimburse the Landlord therefor and save the Landlord harmless therefrom; provided, however, that Landlord may cure any such default prior to the expiration of said waiting period, without notice to Tenant if an emergency situation exists, or after notice to Tenant, if the curing of such default prior to the expiration of

said waiting period is reasonably necessary to protect the Leased Premises or the Landlord's interest therein, or to prevent injury or damage to persons or property.

Section 3. Tenant's Self Help. If the Landlord shall default in the performance or observance of any of its agreements or conditions in this Lease, and if the Landlord shall not cure such default within thirty (30) days after notice from Tenant specifying the default (or, if such default shall reasonably take more than thirty (30) days to cure, and the Landlord shall not have commenced the same within the thirty (30) days and diligently prosecuted the same to completion), Tenant may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of the Landlord, and any amount paid or contractual liability incurred by the Tenant in so doing shall be deemed paid or incurred for the account of the Landlord, and the Landlord agrees to reimburse Tenant therefor and save the Tenant harmless therefrom; provided, however, that Tenant may cure any such default as aforesaid prior to the expiration of said waiting period, without notice to Landlord if an emergency situation exists, or after notice to Landlord, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Leased Premises or the Tenant's interest therein, or to prevent injury or damage to persons or property.

## ARTICLE XII – TITLE

Section 1. Quiet Enjoyment. The Landlord covenants and agrees that upon the Tenant paying the rent and observing and performing all of the terms, covenants, and conditions on the Tenant's part to be observed and performed hereunder, the Tenant may peaceably and quietly have, hold, occupy, and enjoy the Leased Premises in accordance with the terms of this Lease without hindrance or molestation from the Landlord or any persons lawfully claiming through the Landlord.

Section 2. Zoning and Good Title. The Landlord warrants and represents, upon which warranty and representation the Tenant has relied in the execution of this Lease, that the Landlord is the owner of the Leased Premises, in fee simple absolute, free and clear of all encumbrances, except for the easements, covenants, and restrictions of record as of the date of this Lease. Such exceptions shall not impede or interfere with the quiet use and enjoyment of the Leased Premises by the Tenant. The Landlord warrants that the Landlord has full right and lawful authority to execute this Lease for the Term, in the manner, and upon the conditions and provisions herein contained; that there is no legal impediment to the use of the Leased Premises as set out herein; that the Leased Premises are not subject to any easements, restrictions, zoning ordinances, or similar governmental regulations which prevent their use as set out herein; that the Leased Premises presently are zoned for the use contemplated herein and throughout the term of this Lease may continue to be so used therefor by virtue of said zoning, under the doctrine of "non-conforming use," or valid and binding decision of appropriate authority, except, however, that said representation and warranty by the Landlord shall not be applicable in the event that the Tenant's act or omission shall invalidate the application of said zoning, the doctrine of "non-conforming use" or the valid and binding decision of the appropriate authority.

## ARTICLE XIII –HOLDING OVER/WAIVERS/NOTICES

Section 1. Holding Over. In the event that the Tenant or anyone claiming under the Tenant shall continue occupancy of the Leased Premises after the expiration of the Term or any renewal or extension of the Term without any agreement in writing between the Parties with respect thereto, such occupancy shall not be deemed to extend or renew the Term, but such occupancy shall continue as a tenancy at will, from month to month, upon the covenants, provisions, and conditions herein contained. The rental shall be the rental in effect during the term of this Lease as extended or renewed, prorated and payable for the period of such occupancy.

Section 2. Waivers. Failure of either Party to complain of any act or omission on the part of the other Party, no matter how long the same may continue, shall not be deemed to be a waiver by said Party of any of its rights hereunder. No waiver by either Party at any time, express or implied, or any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either Party shall require the consent or approval of the other Party, the other Party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion. Any and all rights and remedies which either Party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate, and cumulative and shall not be deemed inconsistent with each other, and no one of them, whether exercised by said Party or not, shall be deemed to be an exclusion of any other, and any two or more or all of such rights and remedies may be exercised at the same time.

Section 3. Notices. All notices and other communications authorized or required hereunder shall be in writing and shall be given by hand delivery or by mailing to the address set forth above, or such other address as a may be designated by the applicable Party, by certified mail, return receipt requested, postage prepaid. Any such notice or other communication shall be deemed to have been given when received by the Party to whom such notice or other communication shall be addressed.

#### ARTICLE XIV – PROPERTY DAMAGE

Section 1. Loss and Damage. Notwithstanding any contrary provisions of this Lease, Landlord shall not be responsible for any loss of or damage to property of the Tenant or of others located on the Leased Premises, except where caused by the intentional or negligent act or omission of the Landlord, or the Landlord's agents, employees, volunteers, or contractors; provided, however, that if the Tenant shall notify the Landlord in writing of repairs which are the responsibility of the Landlord under Article V hereof, and the Landlord shall fail to commence and diligently prosecute to completion said repairs promptly after such notice, and if after the giving of such notice, loss of or damage to the Tenant's property shall result from the condition as to which the Landlord has been notified, the Landlord shall pay the Tenant for any loss, cost, or expense arising therefrom.

Section 2. Force Majeure. In the event that either Party shall be delayed or hindered in or prevented from the performance of any act other than the Tenant's obligation to make payments of rent and other charges required hereunder, by reason of strikes, lockouts,

unavailability of materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, the act, failure to act, or default of the other Party, war, or other reason beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed to be a cause beyond control of either Party.

## ARTICLE XV – MISCELLANEOUS

Section 1. Fixtures. All personal property, furnishings, and equipment presently, and all other trade fixtures installed in or hereafter by or at the expense of the Tenant and all additions and/or improvements, exclusive of structural, mechanical, electrical, and plumbing, affixed to the Leased Premises and used in the operation of the Tenant's business made to, in, or on the Leased Premises by and at the expense of the Tenant and susceptible of being removed from the Leased Premises without damage, unless such damage be repaired by the Tenant, shall remain the property of the Tenant and the Tenant may, but shall not be obligated to, remove the same or any part thereof at any time or times during the Term hereof, provided that the Tenant, at its sole cost and expense, shall make any repairs occasioned by such removal.

Section 2. Estoppel Certificates. At any time and from time to time, each Party agrees, upon request in writing from the other Party, to execute, acknowledge, and deliver to the other Party or to any person designated by the other Party a statement in writing certifying that the Lease is unmodified and is in full force and effect, or if there have been modifications, that the same is in full force and effect as modified (stating the modifications), that the other Party is not in default in the performance of its covenants hereunder, or if there have been such defaults, specifying the same, and the dates to which the rent and other charges have been paid.

Section 3. Invalidity of Particular Provision. If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, and provided that this Lease may still be performed in accordance with the Parties' intent, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 4. Captions and Definitions of Parties. The captions of the Sections of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease. Except as in this Lease otherwise provided, the terms and provisions of this Lease shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Nothing contained herein shall be deemed or construed by the Parties or by any third party as creating the relationship of principal and agent or of partnership or of a joint venture between the Parties, it being understood and agreed that neither any provision contained herein, nor any acts of the Parties, shall be deemed to create any relationship between the Parties other than the relationship of Landlord and Tenant.

Section 5. Entire Agreement. This instrument contains the entire and only agreement between the Parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. This Lease shall not be amended or modified in any way except by a writing executed by the Parties. Course of performance, no matter how long it may continue, shall not be deemed an amendment or modification of this Lease.

Section 6. Governmental Immunity. Nothing in this Lease shall be construed as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the Parties, or their directors, officers, employees, volunteers, or agents, under common law or pursuant to statute, including but not limited to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

Section 7. Non-Appropriation. All direct and indirect financial obligations of a Party under this Agreement are subject to annual appropriation of the funds necessary to meet such obligations. If either Party's governing body fails to appropriate funds necessary to meet that Party's obligations under this Agreement for the ensuing fiscal year, this Agreement shall terminate at the end of the year in which the non-appropriation occurred, and neither Party shall have liability to the other Party beyond those obligations for which the Party previously appropriated funds.

Section 8. Governing Law; Jurisdiction and Venue. All matters pertaining to this Lease (including its interpretation, application, validity, performance, and breach) shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. Jurisdiction and venue shall lie exclusively in the Larimer County District Court. In any dispute arising from or relating to this Lease, the prevailing Party shall be awarded its attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting upon any judgment, order, or award.

**[SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

IN WITNESS WHEREOF, the Parties have executed this Lease the day and year below written.

Signed, sealed, and delivered in the presence of:

**LANDLORD: Loveland Rural Fire Protection District**, a political subdivision of the State of Colorado

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**TENANT: Loveland Fire Rescue Authority**, a public entity of the State of Colorado

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**EXHIBIT A**

Fire Station 4 Legal Description  
Fire Station 7 Legal Description  
Fire Station 8 Legal Description  
Fire Station 9 Legal Description

**OMNIBUS BILL OF SALE  
(City of Loveland)**

The City of Loveland, a home-rule municipality of the State of Colorado, whose address is 500 E. 3rd Street, Loveland, CO 80537 ("**Seller**"), upon receipt of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby sells to the Loveland Fire Rescue Authority, a public entity of the State of Colorado, whose address is 410 E. 5th Street, Loveland, CO ~~410 E. 5th Street, Loveland, CO~~ 80537 ("**Buyer**"), its successors and assigns, all of the Seller's right, title, and interest in and to the following used Vehicles and Equipment (defined below):

All fire, ambulance, hazardous materials, rescue, command, and other fire, rescue, and emergency medical services ("**Emergency Services**") apparatus and vehicles, of whatever kind or nature whatsoever, and wherever located, now owned by the City of Loveland for the purpose of providing Emergency Services, together with all parts, components, equipment, instruments, appliances, and accessories, as originally installed or installed as replacements or improvements (collectively, the "**Vehicles**"); and,

All Emergency Services personal property, including equipment, materials, supplies, tools, gear, apparel, ~~information technology~~, furniture, appliances, and all other personal property, of whatever kind or nature whatsoever, and wherever located, now owned by the City of Loveland for the purpose of providing Emergency Services, together with all parts, components, equipment, instruments, appliances, and accessories, as originally installed or installed as replacements or improvements (collectively, the "**Equipment**"); provided, that such Equipment shall not include Opticom and other information technology systems, components, equipment, hardware, and software, including, without limitation, laptop and desktop computers, tablets, facsimiles, and telephones now owned by the City of Loveland.

BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE VEHICLES AND EQUIPMENT HAVE BEEN PREVIOUSLY USED BY THE SELLER. SELLER SHALL NOT BE DEEMED TO HAVE MADE AND HEREBY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, OR GUARANTEES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE VEHICLES OR EQUIPMENT, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY CONDITION, DESIGN, OPERATION, OR PURPOSE, OR QUALITY OF MATERIAL OR WORKMANSHIP OF THE VEHICLES OR EQUIPMENT OR ANY PARTS THEREOF. THE BUYER EXPRESSLY TAKES THE VEHICLES AND EQUIPMENT IN "AS IS, WHERE IS" CONDITION.

SIGNED EFFECTIVE the \_\_\_ day of \_\_\_\_\_, 2016.

**[SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

**SELLER:**

CITY OF LOVELAND, a home rule municipality of the State of Colorado

By: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF LARIMER     )

The foregoing Omnibus Bill of Sale was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_ as \_\_\_\_\_ of the City of Loveland, a home rule municipality of the State of Colorado.

Witness my hand and official seal.  
My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**BUYER:**

LOVELAND FIRE RESCUE AUTHORITY, a public entity of the State of Colorado

By: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
PresidentChairman  
\_\_\_\_\_, Secretary

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF LARIMER     )

The foregoing Omnibus Bill of Sale was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_ as PresidentChairman of the Board of Directors of the Loveland Fire Rescue Authority, a public entity of the State of Colorado.

Witness my hand and official seal.  
My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**OMNIBUS BILL OF SALE  
(Loveland Rural Fire Protection District)**

The Loveland Rural Fire Protection District, a political subdivision of the State of Colorado, whose address is 1423 W. 29<sup>th</sup> Street, Loveland, CO 80538 ("**Seller**"), upon receipt of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby sells to the Loveland Fire Rescue Authority, a public entity of the State of Colorado, whose address is 410 E. 5th Street, Loveland, CO ~~410 E. 5th Street, Loveland, CO~~ 80537 ("**Buyer**"), its successors and assigns, all of the Seller's right, title, and interest in and to the following used Vehicles and Equipment (defined below):

All fire, ambulance, hazardous materials, rescue, command, and other fire, rescue, and emergency medical services ("**Emergency Services**") apparatus and vehicles, of whatever kind or nature whatsoever, and wherever located, now owned by the Loveland Rural Fire Protection District for the purpose of providing Emergency Services, together with all parts, components, equipment, instruments, appliances, and accessories, as originally installed or installed as replacements or improvements (collectively, the "**Vehicles**"); and,

All Emergency Services personal property, including equipment, materials, supplies, tools, gear, apparel, ~~information technology~~, furniture, appliances, and all other personal property, of whatever kind or nature whatsoever, and wherever located, now owned by the Loveland Rural Fire Protection District for the purpose of providing Emergency Services, together with all parts, components, equipment, instruments, appliances, and accessories, as originally installed or installed as replacements or improvements (collectively, the "**Equipment**"); provided, that such Equipment shall not include Opticom and other information technology systems, components, equipment, hardware, and software, including, without limitation, laptop and desktop computers, tablets, facsimiles, and telephones now owned by the Loveland Rural Fire Protection District.

BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE VEHICLES AND EQUIPMENT HAVE BEEN PREVIOUSLY USED BY THE SELLER. SELLER SHALL NOT BE DEEMED TO HAVE MADE AND HEREBY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, OR GUARANTEES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE VEHICLES OR EQUIPMENT, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY CONDITION, DESIGN, OPERATION, OR PURPOSE, OR QUALITY OF MATERIAL OR WORKMANSHIP OF THE VEHICLES OR EQUIPMENT OR ANY PARTS THEREOF. THE BUYER EXPRESSLY TAKES THE VEHICLES AND EQUIPMENT IN "AS IS, WHERE IS" CONDITION.

SIGNED EFFECTIVE the \_\_\_\_ day of \_\_\_\_\_, 2016.

**[SIGNATURE PAGE IMMEDIATELY FOLLOWS]**

**SELLER:**

LOVELAND RURAL FIRE PROTECTION DISTRICT, a political subdivision of the State of Colorado

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

By: \_\_\_\_\_  
\_\_\_\_\_, President

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF LARIMER     )

The foregoing Omnibus Bill of Sale was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_ as President of the Board of Directors of the Loveland Rural Fire Protection District, a political subdivision of the State of Colorado.

Witness my hand and official seal.  
My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**BUYER:**

LOVELAND FIRE RESCUE AUTHORITY, a public entity of the State of Colorado

ATTEST:

\_\_\_\_\_  
PresidentChairman  
\_\_\_\_\_, Secretary

By: \_\_\_\_\_  
\_\_\_\_\_

STATE OF COLORADO     )  
  ) ss.  
COUNTY OF LARIMER     )

The foregoing Omnibus Bill of Sale was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_ as PresidentChairman of the Board of Directors of the Loveland Fire Rescue Authority, a public entity of the State of Colorado.

Witness my hand and official seal.  
My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

## Agenda Item Cover

Item No.: 7

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Administrative Director



### TITLE

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Review Briefing Papers and Correspondence

### EXECUTIVE SUMMARY

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The Chief's report includes a variety of general updates from the May Monthly Report and June topics of interest.

#### **May Monthly Report**

- May Overview
- Training Center Annexation
- Training Center MasterPlan/Design
- Administrative Matters
- Moving Forward Tours
- Radio Communications Monopole Tower
- Lifesaving Recognition
- Kill the Flashover
- Operations Division Overview

- Community Safety Division Overview

#### **Additional Topics For Board Update**

- Retirement Sufficiency
- Station 9 Open House
- July 4<sup>th</sup> Breakfast Reminder
- Update on Acting City Manager
- Training Center Environmental Update
- Haz-mat Bill for Services

### BACKGROUND

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This section of the agenda is intended to provide general information to keep board members apprised of various project status and department updates.

### AGREEMENTS SIGNED DURING THE MONTH

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Intergovernmental Agreement By And Between Colorado Department Of Public Safety Division Of Fire Prevention And Control And Loveland Fire Rescue Authority Regarding Automatic Response And Assistance Of Wildland Fire Personnel And Equipment

### STAFF RECOMMENDATION

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N/A

### FINANCIAL/ECONOMIC IMPACTS

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N/A

### ASSOCIATED STRATEGIC GOALS

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N/A

### ATTACHMENTS

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- Fire Chief's Monthly Report
- Letters & Articles
- May Statistics



# Loveland Fire Rescue Authority May 2016 Month-End Report

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## Fire-Rescue Administrative Division

### Chief Mark Miller and Public Safety Administrative Director Renee Wheeler

#### May 2016 Overview -

May leadership truism: "Leaders must constantly *challenge* the process, precisely because any system will unconsciously conspire to maintain status quo and prevent change".

*Highlights* of the May report include: Training Center Annexation; Training Center Master Plan; LFRA Administrative items; citizen life-saving recognition; KTF event.

#### Training Center Annexation -

The annexation of the new Training Center property is complete! It was a four month process, but it was final as of May 17<sup>th</sup>. Thanks to all those that assisted in this process!

#### Training Center Master Plan/Design -

As previously reported, we are moving forward with the Training Center Master Plan and have had several productive meetings. Currently we are working with an engineer in the burn building design process and it's proving to be a worthwhile effort in putting together a very functional, unique burn prop tower. Additionally, we are working to eliminate the current retention pond at the Training Center to mitigate environmental issues. We will be working diligently in the coming months to redesign the entire drainage system at the site.

#### Administrative Matters -

The 2017 budget development work has begun. Renee and Cheryl have been meeting with program managers to hear about their program priorities for 2017 and the resources that will be required to address those priorities. The time is also invested in reviewing equipment inventories so that there are adequate equipment replacement dollars included in the ten year financial plan. The summaries and comparative analysis work will then be prepared so that the entire budget can be reviewed by executive staff to develop the recommendations that will move forward to the Budget Review subcommittee (LFRA Board Chair/Rural Board representative, City Manager and the Chair of the Fire Rescue Authority Advisory Commission) and then to the LFRA Board as a whole.

Collaboration has been occurring at the staff level for establishing the LFRA Fleet Replacement Fund and what scenarios might be available for decision making at the Board level relative to funding replacements of the oldest equipment that will become LFRA assets.

Renee Wheeler attended the Government Finance Officers Association (GFOA) conference. There are 16,865 active government members of the GFOA and only 505 or 3% of those members are Certified Government

Finance Officers. Renee is one of those Certified Government Finance Officers. 30 hours of continuing education credits are required annually to maintain that certification. This conference is the most efficient way to meet those requirements. She attended many sessions on financial leadership, the costing of government services, best practices in managing payroll, building a finance office, budget processes, financial resiliency through risk awareness, cash flow forecasting, capital budgeting for short term assets, managing grants, auditing, understanding how to manage a multigenerational workforce (Bruce Tulgan author of *“Bridging the Soft Skills Gap: How to Teach the Missing Basics to Today’s Young Talent”*), and the economic impact of the nation’s creative class (Dr. Richard Florida). It was a very beneficial conference.

#### **Moving Forward Tours –**

As we do each year, we hosted three (one for each fire shift) *Moving Forward Tours* over the course of the month. The Tours are akin to a State of the Department Address of sorts, in which we review the Annual Report, pass on pertinent information, share a vision of what’s coming, and wrap it up with a brief leadership lesson. This year’s *Moving Forward Tours* were May 9, 12, and 26. The leadership lesson was on “Disruptive Leadership”.

#### **Radio Communication Monopole Tower –**

It’s finally fully functional – as of May 25<sup>th</sup>! The old tower has been removed and we are back in business with a state of the art tower that will last for many, many years. This has been an arduous process, but the actual construction process has gone smoothly. Thanks to all the city and outside agencies for their cooperation in bringing this project to fruition.

#### **Life Saving Recognition –**

On May 2, 2016, LFRA responded to a boating accident on Bodecker Lake in west Loveland. Essentially, two men were fishing at night in a canoe on the lake, and one of the men stood up in the canoe, causing it to capsize. Unfortunately one man tragically drowned, while the other frantically held on to the capsized canoe. He was yelling for help, and caught the attention of another boater on the lake, Michael Mullinix, who heard the screams for help as he was fishing nearby. Michael maneuvered his boat to the man who was holding onto the capsized canoe and was able to assist him in getting to shore. In essence, Michael’s actions saved the life of the man in the water. LFRA formally recognized Michael at the May 25<sup>th</sup> LFRA Board meeting. It was an emotional ceremony, in which the man Michael rescued was in attendance as well as the girlfriend of the man who tragically drowned.

Additionally, LFRA recognized Dispatcher Julie Garcia, who took the 911 call from Michael and stayed on the phone with him for over 10 minutes, staying calm and providing direction and guidance – outstanding job, Julie!

Our thoughts and prayers go out to the families who lost their loved one, as we pay tribute to Michael Mullinix for saving a life that night. Well Done Michael! (picture; left to right - Chief Miller, Michael Mullinix and Julie Garcia)



### **Kill the Flashover (KTF) –**

LFRA is busy preparing for the KTF event that we are hosting June 7, 8, and 9. I will go into greater detail in next month's report, but it's important to mention that this is a huge event and the only one like it in the Western US. Individuals from nine states and three different countries will be participating. In essence this will be looking at modern fire behavior and research burns, all geared at making our jobs safer and more effective in regards to fire attack. Stay tuned for pictures and details next month...



**Fire–Rescue Operations Division - Division Chief Greg Ward**  
*Response, Readiness, Resources & Relationships*

## May 2016

### **RESPONSE**

- On the 2nd of May, LFRA responded to Boedecker Lake on a reported dive rescue incident, crews arrived on scene to find a civilian rescuer transporting a victim of a boating accident to shore. The victim and rescuer stated that another victim was missing in the water. A night dive rescue operation was conducted in an effort to locate the missing victim. Additional dive rescue personnel were requested from the Berthoud Fire District. The divers faced zero visibility and numerous entanglement hazards in the water during their search. The victim was located, but unfortunately did not survive.
- LFRA was dispatched on an auto-aid residential fire with Front Range Fire Rescue on May 20<sup>th</sup>, the first arriving FRFR crew found a well involved fire on the second floor of the home. LFRA Engine 6, Tower 6, Battalion 1 and Bureau 3 assisted with command support, overhaul and the fire investigation.
- A two vehicle accident at 10<sup>th</sup> Street and Garfield Avenue on the 23<sup>rd</sup> of May resulted in a vehicle striking a house. LFRA crews worked for approximately two hours to extricate the vehicle and shore up the structure. Fortunately there were no injuries to the driver or occupants of the house.

### **READINESS**

- LFRA's certified Aircraft Rescue Firefighters (ARFF) attended the FAA required live fire training at DIA. This training along with twelve other training subjects per year are required to maintain the ARFF certification.
- Colorado Division of Fire Prevention and Control's National Fire Academy training week was held in Loveland at the Group Publishing facility during the week of May 16th. LFRA personnel instructed the majority of the week long Fire Officer 1 and 2 courses. Approximately 40 Firefighters from around the state attended the classes.
- The Special Operations Team conducted a five day Rescue School the first week of May, subjects included rope rescue, trench rescue, confined space rescue and collapse rescue.
- Four LFRA members attended a three day vehicle extrication class hosted by the Arvada Fire Protection District.

### **RESOURCES**

- Crews completed construction of two training props at the Training Center, a new fire behavior burn cell was constructed utilizing a metal shipping container, this will be utilized later this year by all LFRA personnel. The wooden burn building utilized for data collection / research burns was refinished in preparation for the upcoming Kill the Flashover training event in June.
- Four members of the Canyon Battalion graduated from the Aims Firefighter I Academy, following their graduation their badges were pinned by friends and family.
- Congratulation to the new Canyon Battalion Chief Shawn Neal and a huge THANK YOU to Bill Lundquist, who served as the Canyon Battalion Chief for several years.
- The Emergency Vehicle Technicians from the City of Loveland Fleet Services conducted apparatus maintenance training for all of the crews along with the Berthoud Fire District crews.

### **RELATIONSHIPS**

- The Training Center was utilized by the Aims Fire Academy, Berthoud Fire District, Front Range Fire Rescue, Front Range Fire Consortium Academy and the Loveland Police Department in May.
- LFRA recognized our Law Enforcement partners by flying the Thin Blue Line flags on our fire engines during Law Enforcement Week.
- The crew of Engine 2 and a member of the Canyon Battalion presented educational material at the Community Wildfire Preparedness Event in Drake on May 7<sup>th</sup>.



Dive Rescue – Boedecker Lake



Auto-Aid House Fire with Front Range Fire Rescue



Car vs. House Accident – North Garfield



Special Operations Team Rescue School



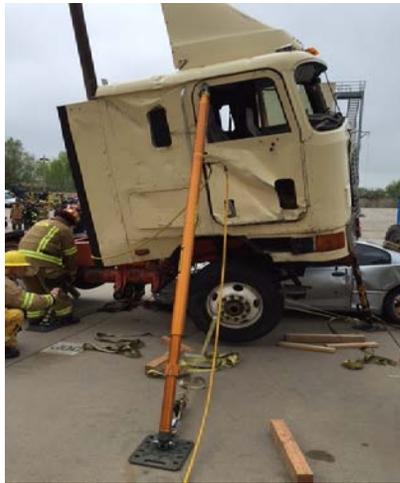
Canyon Battalion Badge Pinning



Engine 2 flying the Thin Blue Line Flag



ARFF Live Fire at DIA



Arvada Auto-X Training



**Community Safety Division  
Division Chief, Ned Sparks  
May 2016**

**Update/overview of CSD, Special Events (Ned):**

- ❖ 4<sup>th</sup> of July Fireworks show; fireworks, security, fencing and lighting are done. One member of the Lake Loveland RC is concerned that the closed area on the lake is private and Fire cannot exclude them from access. As an alternative, I asked City Legal (Moses) to draft a hold harmless agreement stating the area would be policed by the homeowners. The pyro-technician for the show, the rep for the LLRC and I met to review the code requirements and the LLRC was presented the draft agreement for the HOA to review. We are waiting for a reply from the LLRC.
- ❖ Review of existing pub-ed programs and creating a new direction is continuing to move forward. LFRA met with American Red Cross, LETA, TVEMS, LPD, SafeKids and R2J to continue creating a program. The last meeting currently in use, identify areas that overlap between disciplines, create a joint curriculum and develop a proposed schedule using the current school year as a template. R2J has offered to take on the scheduling of the resources for agencies.
- ❖ The evaluation of the Lovelander Apartments by Building and Fire will be conducted in June.
- ❖ DRT - Empowerment committee still in process and working to transition the leadership of this committee. In the meantime Planning is helping to create an email template for escalating problem projects.

**Significant Building Plan Reviews, and Inspections (Carie, Ingrid and Allen):**

City Building/Fire project review:

- New Thought Church – review and meetings to assist owner resolve problems with submittals.
- CoL Water treatment Plant – multiple reviews and inspections to assist the project.
- Meetings with FITs, Lt.'s & Capt.'s, BC's and DFM Dann to discuss the FIT program and how we can continue to make it better.
- Bent Tree Church – problems with fire sprinklers that were installed and new ownership requires replacing sprinkler heads and reconfiguration of the suppression system.
- Chillers will be coming due for the liquor license and the structure has had a history of noncompliance.
- Working with the Airport to find options on the new building and fire sprinkler system.

County project review:

- Collinswood Designs – continuing process of working through the Larimer County Building Dept. and LFRA to meet wood working and spray booth requirements.
- Larimer County Humane Society – plan review process ongoing.
- Received Firehouse Storage submittal for wooden structures from Larimer County

Johnstown

- Working with Abundant Life Tabernacle to find alternative fire retardant material – structure was not built to code requirements so an alternative solution is required to permit and occupy the building.
- Scheels permit submittal received and in process.

**Emergency Management**

Significant events:

The Baker / Logan Simpson Team completed the draft Mitigation Master Plan main document. The MMP was presented to M-Team and to City Council for final input before it goes out to for community input and then finalization. Ecology &

Environment was selected to create the city's Disaster Recovery Plan. The Service contract was signed and the kickoff workshop was held with the project steering committee.

We have received an informal notice of approval from FEMA to install the HMP grant-funded emergency generator at the Service Center. We now await the formal notification so that we can begin work. One planning meeting was held between multiple departments to share some initial project planning ideas.

The new communications tower was installed and all communications were switched over from the old tower. The old tower was decommissioned, thus removing a major hazard from the roof.

#### Flood Recovery

- Attended on-going city recovery planning meetings

#### Operations and Maintenance

- Collaborated with IT Dept for installation of digital matrix in EOC
- Collaborated with IT Dept for EOC laptop configuration improvements
- Met with Greg G. to discuss potential space donation for OEM
- Worked with Capt. Gilbert on EOC radios and headsets
- Coordinated with ARES and Capt. Gilbert for equipment transfer to new tower
- Worked with Scott and Tina for update of Everbridge EOC activation paging group and conducted test
- Assigned Willson to manage weather radio program for remainder of 2016, program will go to city's Safety Coordinator in 2017.
- Updated status of resources in WebEOC
- Met with Chief Miller & Chief Sparks ref: OEM program development
- Met with Cheryl and formalized OEM budget for 2017

#### Planning and Documentation

- Met with Community Partnership office ref: historic and environmental assessments
- Met with PIO and PAO for Emergency Communications Plan development
- Evaluated contractor proposals and interviewed 3 contractors for Disaster Recovery Plan (DRP)
- Held service contract development meeting and executed contract with DRP contractor
- Participated in DRP contractor's pre-kickoff planning meeting
- Participated in DRP kickoff workshop
- Met with MMP contractor for project planning session
- Facilitated #2 steering committee meeting for MMP
- Completed mitigation project priority ranking
- Facilitated MMP draft presentation to M-Team
- Scheduled presentation of County HMP to City Council for 1<sup>st</sup> reading on July 5th
- Facilitation of IGA for Hazmat calls in the county in progress
- IGA for flashing signs in progress
- IGA for EM and disaster funding in progress
- COOP final draft sent to CMO for approval and signatures, adoption not required
- Met with LPD on EOC set up and needs discussion
- Attended Big T River corridor mitigation action planning
- CWPP and mitigation action planning with Capt. Carmosino, Rene M. to finalize plan
- Contacted CIAC for risk analysis of group bringing conference to Loveland

#### Emergency Preparedness Relationships

- Attended NEAHR meeting
- Attended quarterly Division Manager's meeting with Mr. Cahill
- Attended Pub Ed program development meeting with partner agencies

- Met with city's safety coordinator to establish future collaborations
- Attended LCEM meeting
- Met with PFA's new PIO and our PAO
- Connected with student for potential internship

#### Grants

- Received approval from NEAHR to apply 2016 SHSG funds to EOC IT or comms. projects
- Provided significant information to Chris Carlson's CDBG-DR round 4 application
- Processed CDBG-DR service contract and invoices
- Began processing SHSG and purchases for EOC radio upgrades and headsets

#### Training and Public Outreach

- Attended outreach program steering committee meeting

#### Training Received

- Completed 1 City University course: empowering followers
- Participated in ARES quarterly communications equipment tests

#### Exercises

- Attended 2016 Airport exercise development meeting
- Attended 2016 "Blizzaster" exercise development meeting

#### Other

- Completed all JPRs for Fire Officer 2 certification, exam yet to be scheduled
- Participated in mid-year evaluations with subordinate and with supervisor
- Completed multi-year training record list for entry into ETI

#### EMPG Grant-Required Work Plan Items

- EMF 1 –
- EMF 2 – CWPP in review
- EMF 2 - IGA for Hazmat calls in the county – in progress
- EMF 3 - Local THIRA completed as part of HMP update; in review by FEMA
- EMF 4 - Mitigation Master Plan on schedule; presented to Management and Council for input
- EMF 4 - Met with Community Partnership office ref: historic and environmental assessments
- EMF 5 – FM has current version of LEOP
- EMF 6 – COOP final draft sent to city management and Fire Board for approval
- EMF 6 – Disaster Recovery Plan kickoff workshop conducted
- EMF 6 - Attended 2013 Flood Recovery meetings
- EMF 7 – On-going implementation of training as outlined in the 2016 TEP
- EMF 7 – NIMS training on-going; current city-wide compliance is 83%
- EMF 7 – TEP sent to FM
- EMF 8 - On-going implementation of exercise as outlined in the 2016 TEP
- EMF 8 – 2016 Airport FSE under development
- EMF 8 – "Blizzaster" exercise under development
- EMF 9 – LCEM and LCEHC meetings held in Q1
- EMF 10 – ARES communications test conducted May 7, 2016
- EMF 11 - Collaborated with IT Dept for installation of digital matrix in EOC
- EMF 11 - Collaborated with IT Dept for EOC laptop configuration improvements
- EMF 11 - Coordinated with ARES and Capt. Gilbert for equipment transfer to new tower
- EMF 11 – updated and tested Everbridge paging group for EOC activations
- EMF 11 – Final draft of COOP sent out for approval
- EMF 12 - IGAs for Hazmat calls in the county, flashing sign maintenance – in progress

- EMF 13 – updated status of resources in WebEOC
- EMF 14 – EOC technology and communications upgrades - in progress
- EMF 15 – Draft ESF 15, JIS/JIC emergency communications plans – in progress

### **PIO, Website & Public Education (Scott):**

- PIO duties and press release for Boedecker Lake incident
- Photos for PIO use at SOT Rescue School Week and DFPC NFA Week classes
- Numerous LFRA social media posts
- Numerous LFRA website updates
- BNSF First Responder Express appreciation event planning
- 2 Thompson Safety Education Coalition meetings
- EF 15 meeting with Pat Mialy and Lisa Schwartz
- Site visit at Nordson Medical for tornado shelter evaluation, evacuations planning, and COOP discussion
- Follow up on emergency planning and related topics with Cardinal Glass
- Worked on Everbridge update project
- 3 County Blizzaster Exercise planning meeting
- Airport Exercise planning meeting
- Meeting with TSD Fire Alarm Specialist about future planning once that position is eliminated
- Attended Emergency Management Academy in Centennial (24 hours)
- EMS trainings (3 hours)
- Completed 2 City of Loveland University training sessions (0.5 hours)
- Distributed alarms and public education supplies to fire stations
- 1 school fire safety compliance visits (re-inspection)
- 5 car seat inspection/installations
- 1 bike helmet fitting/donation
- 1 youth firesetting family intervention session
- Scheduling and follow-up on other Youth Firesetting Intervention cases
- 1 BEC event standby
- Various CSD staff meetings

### **ISO, Accreditation, Fracking, Inspections, Investigations (Ty):**

Worked with Barbara Woolf to develop updated maps of our new ISO PPC rating. She is still working to develop an interactive version for the website. In the meantime, Scott has loaded the PDF onto the website.

#### **Accreditation**

April 17<sup>th</sup>-21<sup>st</sup>: Traveled to Morrisville (NC) as a peer assessor to verify and validate the agency's application to become accredited.

Completed a data analysis project for Lt Willson (for his Fire Officer II JPRs).

Completed monthly response performance analysis for BTCVFD and TVEMS.

Completed LFRA monthly incident summary and response performance.

Met w/ DC Sparks re strategic plan update process.

Created notebooks and resource materials for all folks who get to write performance indicators for our upcoming self-assessment process.

#### **Assist Operations**

Delivered public education supplies to Station 4 for last-minute large group visiting

5/2 – D/O on Ladder 6 (0730-1700)

5/2 – Respond to dive rescue at Boedecker Lake

5/5 – Acting Lt on E1 (0730-1700)

5/6 – Acting Lt on E5 (1700-0730)

5/15 – Acting FIT2 (1830-0730)

Swapped digital cameras w/ FIT2 to troubleshoot theirs

Placed newer digital camera on Rescue 2

**Inspections**

Reviewed and approved 9 burn permit, denied 2 burn permits  
Updated Knox box keys at 3 businesses  
Help Blue Ocean Aviation trouble-shoot siren-activated gate and electronic Knox key gate  
Consulted with IME re site plan issues at new construction project  
Inspected 1 tent permit  
Reviewed Tier II info from Larimer LEPC  
Met w/ citizen interested in fire service careers and got him signed up for ride-along program  
Carter Lake Marina – HazMat permit and general inspection  
Mountain Aviation – HazMat permit and general inspection  
Bohemian Air – HazMat permit and general inspection  
Peloar Properties – HazMat permit and general inspection  
West Shore Automotive – observe contractor remove 3 underground storage tanks

**Investigations**

Met w/ Detective Dean re vehicle fire arson investigation and possible suspects  
Met w/ Berthoud Fire Department re new investigator training  
Provide aid to investigating a structure fire – 16 hours.

**Training**

Recertified HazMat Ops  
Lead instructor for FRFC Academy – Flashover/Advanced Fire Behavior (8 hrs)  
Attend RMTTA Rescue Task Force training (16 hrs)  
Attend Denver Fire Dept Advanced Fire Investigation seminar (36 hrs)  
EMS CME – pediatrics/OB (2 hrs)  
Peer Support Team meeting (1 hr)

-----Original Message-----

From: Laura Emerson [<mailto:lemerson@frii.com>]

Sent: Saturday, May 07, 2016 9:02 PM

To: Prudhomme, Cathy <[CPrudhomme@nfpa.org](mailto:CPrudhomme@nfpa.org)>; Usher - CDOT, James <[james.usher@state.co.us](mailto:james.usher@state.co.us)>; Pat Mialy <[Pat.Mialy@lfra.org](mailto:Pat.Mialy@lfra.org)>; Lori Hodges <[hodgeslr@co.larimer.co.us](mailto:hodgeslr@co.larimer.co.us)>; Joel Max <[maxjc@co.larimer.co.us](mailto:maxjc@co.larimer.co.us)>; Tamara Pachl <[tamara.pachl.br1m@statefarm.com](mailto:tamara.pachl.br1m@statefarm.com)>; Roberts, Cari <[Cari.Roberts@icfi.com](mailto:Cari.Roberts@icfi.com)>  
Cc: Shayna Jones <[shayna.jones@bigthompson.co](mailto:shayna.jones@bigthompson.co)>; Clara Moulton <[clara.moulton@bigthompson.co](mailto:clara.moulton@bigthompson.co)>; Gary Emerson <[emersonfam@msn.com](mailto:emersonfam@msn.com)>; Pamela Johnson <[johnsonp@reporter-herald.com](mailto:johnsonp@reporter-herald.com)>; Dan Waggoner <[dan@3cmmediacorp.com](mailto:dan@3cmmediacorp.com)>; David Jessup <[davidj@sylvandale.com](mailto:davidj@sylvandale.com)>

Subject: Thanks to NFPA and State Farm for the Preparedness Grant

Without that NFPA grant sponsored by State Farm, we would never have attempted a Drake Wildfire Preparedness picnic for our community. I am proud of the amount of planning and organization that went into it, how various community members stepped up to help, and the participation of representatives of key agencies for our area. There is not a single thing I would do differently; the only things about it that I didn't like were out of my control - the weather, and that people who RSVP'd didn't show up (probably because of the weather). And that we didn't take pictures of ourselves with the firemen.

We had a decent turnout, and it was great to meet several of our We Survived the Flood - Now What? Facebook group members in person to strengthen our bond. Neighbors met neighbors for the first time, and the most important takeaway for me is that we CAN accomplish this sort of thing in our spread-out community.

The attached photos show some of our community members with their color-coded name tags indicating which part of the canyon they are from.  
It allowed people to identify their neighbors and go introduce themselves.

Thanks again to everyone who made this possible. It's too soon to say 'let's do this again,' but I wouldn't rule it out sometime in the future.

Pat Mialy, please forward this to the Fire District folks, thanks.

Laura Emerson  
173 Brown Trout Ln  
Drake, CO 80515  
970-586-3267

**From:** Ralph Mullinix [<mailto:ralphmullinix@gmail.com>]  
**Sent:** Tuesday, May 31, 2016 7:44 AM  
**To:** Mark Miller <[Mark.Miller@lfra.org](mailto:Mark.Miller@lfra.org)>  
**Subject:** Re: lifesaving award

Good morning Mark,

Michael and I want to thank you and your staff for the nice recognition ceremony for Michael. It really meant a lot to him and he told me that it helped him with dealing with what happened, a closure thing I suppose. Having Matt and Casandra there was important to keeping it very personal and not just an event that happened. He also really loved meeting Julie Garcia who helped him stay calm and focused.

Your staff was really nice and helpful, please thank all of them. His award certificate is now beautifully framed and hanging on his wall next to his "challenge coin". Thanks to you Mark for all of the nice words spoken, I'm sure he will never forget them.

Thank you Mark,

Ralph Mullinix

Sent from my iPad

**From:** Jason Licon <[Jason.Licon@cityofloveland.org](mailto:Jason.Licon@cityofloveland.org)>  
**Date:** May 29, 2016 at 8:45:05 AM MDT  
**To:** Mark Miller <[Mark.Miller@lfra.org](mailto:Mark.Miller@lfra.org)>  
**Subject:** Staff

Good morning Chief,

I wanted to send you a quick note to express my great appreciation for your staff's response, service, coordination, and professionalism. Yesterday we had a fuel spill at the Airport and through the efforts of everyone led by your team including Eric Klass, Tim Smith, Greg Ward, and Ned Sparks, we were able to work together to contain the hazard and ensure the safety of those surrounding the event. Chief Smith did an outstanding job working with all emergency responders including Airport and JetCenter staff. Command staff was well organized, and mutual aid responders seemed very well choreographed. You lead a very professional team and should feel a sense of pride in knowing that.

Regards,

Jason R. Licon  
Airport Director  
Office (970)962-2852  
Mobile (970)818-6486

[www.nocoregional.com](http://www.nocoregional.com)

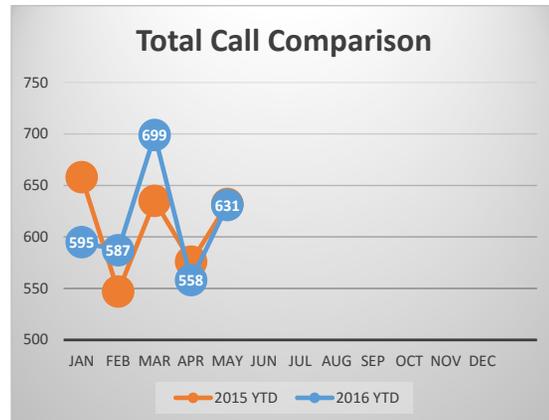
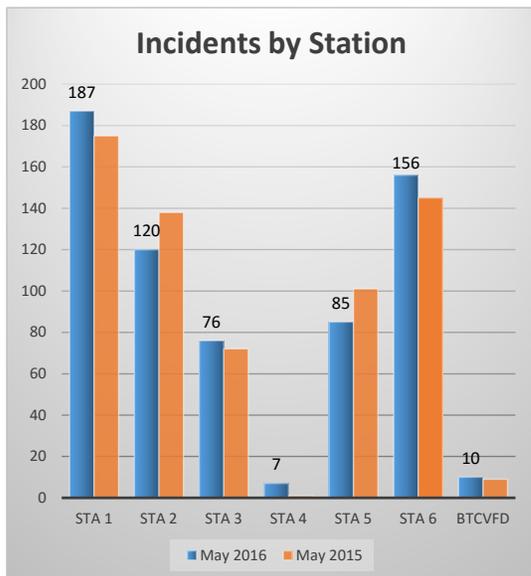


# LOVELAND FIRE RESCUE AUTHORITY

## May, 2016

CALL INFORMATION (does not include calls for BTCVFD)							
INCIDENT TYPE	CITY	RURAL	TOTAL	YEAR to DATE	2016 % of TOTAL	2015 YTD	2015 % of TOTAL
Structure Fire Related	7	3	10	26			
Vehicle Fire	1	4	5	19			
Grass/Wildland or Other Outside Fire	5	1	6	27			
Fire Alarm	60	4	64	304			
Smoke Investigation	10	3	13	73			
Other Fire Related	2	0	2	3			
<b>TOTAL FIRE RELATED</b>	<b>85</b>	<b>15</b>	<b>100</b>	<b>452</b>	<b>14.67%</b>	<b>409</b>	<b>13%</b>
<b>TOTAL EMERGENCY MEDICAL SERVICES (EMS)</b>	<b>292</b>	<b>20</b>	<b>312</b>	<b>1592</b>	<b>51.67%</b>	<b>1671</b>	<b>55%</b>
Motor Vehicle Accident (MVA)	55	14	69	298			
Extrication	1	0	1	13			
Technical Rescue	3	2	5	11			
HazMat	12	1	13	55			
Hazardous Conditions	1	0	1	11			
ARFF	1	4	5	15			
Public Service	34	5	39	231			
Assist PD or Other FD	8	3	11	31			
Standby	1	1	2	14			
Good Intent Call, Other	1	0	1	4			
Dispatched & Cancelled en Route	46	15	61	298			
Wrong Location	0	0	0	0			
No Incident Found on Arrival on Scene	7	4	11	56			
Special Type of Incident, Other	0	0	0	0			
<b>TOTAL MISCELLANEOUS</b>	<b>170</b>	<b>49</b>	<b>219</b>	<b>1037</b>	<b>33.66%</b>	<b>977</b>	<b>32%</b>
<b>MONTH TOTAL</b>	<b>547</b>	<b>84</b>	<b>631</b>	<b>3081</b>	<b>100%</b>	<b>3057</b>	<b>100%</b>
<b>YEAR TO DATE TOTAL</b>	<b>2637</b>	<b>444</b>	<b>3081</b>				
<b>CITY VS. RURAL DISTRIBUTION YEAR TO DATE</b>	<b>85.59%</b>	<b>14.41%</b>					

**3** Incomplete reports this month not included in the totals will affect YTD totals as they are completed in subsequent months.



Does not include calls for BTCVFD



# LOVELAND FIRE RESCUE AUTHORITY

## May, 2016

Structure fire incidents reported below include all incidents that were toned as reported structure fires. Incident outcome varied as shown in table below.

FIRE AND C,D,E MEDICAL RESPONSE TIMES						
		Count	Process Time	Turnout Time	1st Due Travel Time	1st Due Response Time
Structure Fire: Urban Response Area	Average	16	0:58	1:32	3:25	4:43
	90th		1:58	2:19	6:00	6:55
Structure Fire: Rural Response Area	Average	2	0:49	0:38	10:21	10:54
	90th		0:54	1:23	10:32	11:20
C,D,E Medicals: Urban Response Area	Average	318	1:44	1:06	4:05	5:13
	90th		2:56	1:49	6:50	7:49
C,D,E Medicals: Rural Response Area	Average	15	1:58	1:06	7:37	8:36
	90th		4:47	1:42	14:44	15:50

A 1st Alarm incident is a response plan that requires the greatest number of LFRA apparatus to be initially assigned (3 engines, 2 trucks, and 1 Bat Chief). The following CAD Nature Codes generate a response plan that correlates to a 1st Alarm incident: 1st Alarm Commercial/Industrial, 1st Alarm Residence, Building Collapse, Confined Space Rescue, Dive Rescue, Grass Near Structure, Industrial Rescue, Mass Casualty Incident, MVA Extrication, Rope Rescue, Trench Rescue, Wildland/Grass. During April 2016, a search of all of these CAD Nature Codes revealed the following incident count and correlating NFIRS situation types reported.

1st Alarm Incident Outcomes		
Incident Type	All Incidents	Unit Responses
100 - FIRE, OTHER	1	4
111 - BUILDING FIRE	1	5
113 - COOKING FIRE, CONFINED TO CONTAINER	4	26
118 - TRASH OR RUBBISH FIRE, CONTAINED	1	11
122 - FIRE IN MOTOR HOME, CAMPER, RECREATIONAL VEHICLE	1	8
123 - FIRE IN PORTABLE BUILDING, FIXED LOCATION	1	7
143 - GRASS FIRE	4	17
251 - EXCESSIVE HEAT, SCORCH BURNS WITH NO IGNITION	2	19
322 - MOTOR VEHICLE ACCIDENT WITH INJURIES	7	40
324 - MOTOR VEHICLE ACCIDENT WITH NO INJURIES.	1	5
352 - EXTRICATION OF VICTIM(S) FROM VEHICLE	1	5
360 - WATER & ICE-RELATED RESCUE, OTHER	1	13
363 - SWIFT WATER RESCUE	1	7
551 - ASSIST POLICE OR OTHER GOVERNMENTAL AGENCY	2	12
553 - PUBLIC SERVICE	1	6
561 - UNAUTHORIZED BURNING	1	4
600 - GOOD INTENT CALL, OTHER	1	7
611 - DISPATCHED & CANCELED EN ROUTE	1	6
622 - NO INCIDENT FOUND ON ARRIVAL AT DISPATCH ADDRESS	1	3
631 - AUTHORIZED CONTROLLED BURNING	3	15
651 - SMOKE SCARE, ODOR OF SMOKE	3	18
700 - FALSE ALARM OR FALSE CALL, OTHER	1	8
<b>Month Total</b>	<b>40</b>	<b>246</b>

STRUCTURE LOSS/SAVE INFORMATION				
Type of Fire	City		Rural	
	Loss	Save	Loss	Save
Residential Structure	-	-	-	-
Commercial Structure	-	-	-	-
Other Fires	100	-	1,240	5,900
<b>MONTH TOTAL</b>	<b>100</b>	<b>-</b>	<b>1,240</b>	<b>5,900</b>
<b>YEAR TO DATE TOTAL</b>	<b>113,781</b>	<b>1,596,222</b>	<b>557,242</b>	<b>34,834</b>

<b>All Fires Confined to Room of Origin</b>	<b>83%</b>
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## LOVELAND FIRE RESCUE AUTHORITY May, 2016

MUTUAL AID AND AUTOMATIC AID				
	Received	Hours	Given	Hours
Poudre Fire Authority (PFA) 2016	7	3	20	5
Previous Year to Date 2015	16	6.5	52	22.5
Berthoud Fire Department (BFD) 2016	5	5	19	14
Previous Year to Date 2015	1	1	13	4
Windsor Severance Fire Rescue (WSFR) 2016	14	13.5	15	4.5
Previous Year to Date 2015	35	13.5	10	5.5
Front Range Fire Rescue (FRFR) 2016	7	4.5	15	7
Previous Year to Date 2015	5	3.5	8	6
Big Thompson Canyon Fire Dept. (BTFD) 2016	0	0	18	27
Previous Year to Date 2015	1	1	11	8
Estes Valley Fire Prot District (EVFPD) 2016	0	0	4	19
Previous Year to Date 2015	0	0	0	0
<b>CURRENT YEAR TO DATE TOTAL (2016)</b>	<b>33</b>	<b>26</b>	<b>91</b>	<b>76.5</b>
<b>PREVIOUS YEAR TO DATE TOTAL (2015)</b>	<b>58</b>	<b>25.5</b>	<b>94</b>	<b>46</b>

TRAINING HOURS				
TRAINING AND RESERVE	CURRENT MONTH	PREVIOUS MONTH	PREVIOUS YEAR	CURRENT YEAR TO DATE
SHIFT	2,347.0	1,391.0	6,678.0	8,484.0
RESERVIST	9.0	9.0	219.0	53.5
ADMIN	56.0	39.5	366.5	306.0
<b>TOTAL</b>	<b>2,412.0</b>	<b>1,439.5</b>	<b>7,263.5</b>	<b>8,843.5</b>
RESERVIST SHIFT HOURS	100.5	119.0	1,654.5	714.5

SPECIALIZED DISCIPLINES TRAINING				
	COURSES		HOURS	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
AIRCRAFT RESCUE	154	101	150.8	94
HAZMAT	74	27	72.5	34
TAC	85	128	119.5	319.5
URBAN SEARCH & RESCUE	6	10	12	14
WATER	44	33	61	44
WILDLAND	191	205	354	569

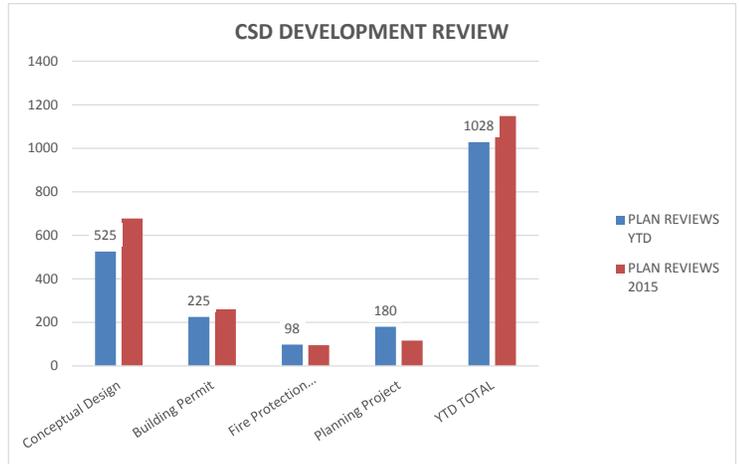


# LOVELAND FIRE RESCUE AUTHORITY

## May, 2016

### DEVELOPMENT REVIEW STATISTICS

	City	County	Johnstown	Totals	Hours
<b>Conceptual Design Reviews</b>	90	0	1	91	43
Previous Month	119	0	3	122	61
YTD Total	508	5	12	525	275
Previous YTD	664	10	3	677	332.5
<b>Building Permit Reviews</b>	39	5	1	45	78.5
Previous Month	35	1	3	39	51
YTD Total	207	10	8	225	345
Previous YTD	248	7	5	260	431.5
<b>Fire Protection Permit Reviews</b>	13	1	1	15	26
Previous Month	13	1	4	18	24
YTD Total	85	7	6	98	128
Previous YTD	77	3	15	95	98
<b>Planning Project Reviews</b>	21	2	1	24	34.5
Previous Month	30	1	3	34	51
YTD Total	159	14	7	180	268.5
Previous YTD	91	20	5	116	234
<b>TOTAL REVIEWS YTD</b>	<b>959</b>	<b>36</b>	<b>33</b>	<b>1028</b>	
<b>PREVIOUS YEAR YTD</b>	<b>1080</b>	<b>40</b>	<b>28</b>	<b>1148</b>	

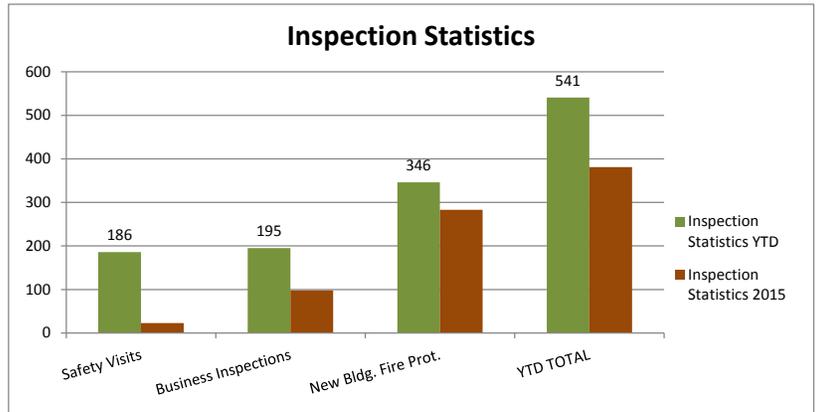


Planning & Building Check-Ins YTD  
Fire Protection Permits Average days in review  
Percent within goal time

383	77
13.5 days	
May	53%

### INSPECTION STATISTICS

	City	Rural	Total	Hours
<b>Eng. Co. Safety Visit 2 &amp; 3 Yr.*</b>	34	5	39	25.75
Safety Re-Visit	4	0	4	3.5
YTD Total	150	36	186	121.5
Previous YTD	17	6	23	0
<b>Business Inspections</b>	25	8	33	31.5
Previous Month	29	7	36	40
YTD Total	160	35	195	215.95
Previous YTD	84	14	98	68
<b>New Bldg./Fire Protection</b>	68	7	75	120
Previous Month	65	13	78	116.5
YTD Total	292	54	346	526
Previous YTD	239	44	283	434.5
<b>TOTAL INSPECTIONS YTD</b>	<b>452</b>	<b>89</b>	<b>541</b>	
<b>Previous Year</b>	<b>323</b>	<b>58</b>	<b>381</b>	



### CSD OTHER ACTIVITIES

	City	Rural	Hours	Mo. Total	Prev. Mo.	Prev. YTD	YTD Total	Highlights/Projects
Hazmat Permits	8	6	15.25	14	15	59	64	*PIO duties and press release for Boedecker Lake incident
Tents/Special Events*	2	1	3	3	1	12	9	*Airport exercise planning meeting
Burn Permits Issued	0	9	3.5	9	21	78	86	*County Blizzaster exercise planning meeting
Investigations	15	6	21	21	12	71	71	*Everbridge update project
Service Call/Complaints	7	0	5	7	5	31	21	*No longer completing planning or conceptual review proj. for COL Bldg. Div.
Car Seats Installed	9	0	4.5	9	16	81	45	*Final inspections for Water Treatment Plant & Sprouts
YFS Program	1	0	2	1	0	0	9	*Denver Fire Investigation Seminar
Public Education Events	2	1	4.5	3	6	51	10	*City Museum Storage Building Meetings
<b>Total Pub. Ed. Contacts</b>	<b>114</b>	<b>30</b>		<b>144</b>	<b>617</b>	<b>1778</b>	<b>801</b>	



## Agenda Item Cover

Item No.:

Meeting Date: June 29, 2016

Prepared By: Renee Wheeler, Public Safety Administrative Director

### TITLE

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Executive Session Concerning the Annual Fire Chief Performance Evaluation

### EXECUTIVE SUMMARY

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The Board provided feedback to the City’s Human Resources Department, which provides Human Resources services to the Authority pursuant to the Establishing IGA, and the Board is expected to meet in executive session to discuss and consolidate board member feedback for the Fire Chief’s annual evaluation.

### BACKGROUND

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An executive session pursuant to the LFRA Bylaws and the Colorado Open Meetings Law will be held for the purpose of:

- 1) discussing personnel matters to include review, evaluation, deliberation, and discussion regarding the annual evaluation of the Fire Chief, as authorized by CRS § 24-6-402(4)(f) and LFRA Bylaws section 4(e); and
- 2) considering and discussing documents and materials related to these personnel matters that are not subject to public inspection under the Colorado Open Records Act, as authorized by CRS § 24-6-402(4)(g).

### STAFF RECOMMENDATION

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None

### FINANCIAL/ECONOMIC IMPACTS

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None

### ASSOCIATED STRATEGIC GOALS

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N/A

### ATTACHMENTS

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None