August 15, 2017

LOS ANGELES FIRE DEPARTMENT

RALPH M. TERRAZAS
FIRE CHIEF

July 27, 2017

BOARD OF FIRE COMMISSIONERS
FILE NO. 17-093

TO: Board of Fire Commissioners

FROM: Ralph M. Terrazas, Fire Chief

SUBJECT: FEE REQUESTED FOR INSPECTION TO OBTAIN A FIRE CLEARANCE LETTER

FINAL ACTION:	_____ Approved	_____ Approved w/Corrections	_____ Withdrawn
	_____ Denied	_____ Received & Filed	_____ Other

SUMMARY

The purpose of this proposed Ordinance and fee is to establish cost recovery to the City of Los Angeles for the time spent to conduct a requested inspection. Requested inspections are to be defined as, *"An inspection that is requested from a business or building owner with the intent to receive a fire clearance letter stating that the building and business are fire code compliant at the time of the inspection. Normal periodic inspections and inspections covered under other sections of this Code would not be considered a requested inspection."*

RECOMMENDATIONS

That the Board:

1. Approve that a fee shall be charged for requested inspections.

2. Approve the requested inspection fee to be a minimum one hour plus hour for hour for any additional time at the current Inspector hourly rate (currently $216/hour).

3. Direct the Board Executive Assistant to forward this report to the Mayor and City Council for consideration and approval.

4. Request the City Council to instruct the City Attorney to draft an Ordinance to the Los Angeles Municipal Code (L.A.M.C.) Section 57.122 establishing charging a fee for a requested inspection, Section 57.202, defining a requested inspection, and Section 57.114.1.1 establishing the method of calculating the fee.

5. Request the City Attorney to report back to the City Council within 30 days with an Ordinance amending the L.A.M.C. Sections 57.122, 57.202, and 57.114.1.1, per the recommendations in this report.

FISCAL IMPACT
If implemented in July 2018, this new fee is expected to generate revenue of $108,000 for Fiscal Year 2018-2019.

DISCUSSION
Requested Inspection

The State agencies responsible for the administration of insurance payments from Medicare, Medi-Cal, and other public assistance programs to doctors' offices and clinics often require these establishments to obtain a fire clearance letter from the local Authority Having Jurisdiction (AHJ). The letter simply states that the facility has been inspected and is compliant with the fire code.

The Los Angeles Fire Department as the AHJ must conduct an inspection of the facility and then generate a fire clearance letter in order for them to continue to participate in the programs. These offices and clinics normally are not complex inspections but require at least one hour to be completed.

The language for a requested inspection will be broad enough to include any request where a fire clearance letter is requested for any purpose not already addressed in this code. The key element of the requested inspection is the request for a fire clearance letter.

At the current time the fire department does not have a tracking mechanism to track the total number of requested inspections conducted each year. It would be fair to estimate that the number of requested inspections is between 500 and 1,000 annually. These inspections are conducted by both Inspectors assigned to the Fire Prevention and Public Safety Bureau as well as field resources assigned to Emergency Operations Bureau as established by policy (Manual of Operations 11/1-28.84).

There is no California State law prohibiting the City of Los Angeles from charging for these inspections.

Tracking
At the current time these inspections have not been tracked. There are several sources that conduct these inspections. For example, there are 104 fire stations to handle the requests in buildings for which they have primary inspection responsibility and a total of 40 Fire Inspectors handle the majority of the other requests, which are in buildings they have primary inspection responsibility.

When implemented these inspections would be consolidated at the Fire Prevention Bureau and tracked. A standalone computer application will need to be developed pending enhancements to the FPA application or development of a replacement application.

Fee

The current Cost of Special Services, Resolution No. 1242, established the hourly rate at $216/hour for inspections. The Department estimates it conducts 500 requested inspections per year, which would generate estimated annual revenue of $108,000 under the current hourly rate.

CONCLUSION

Currently the fire department conducts between 500 and 1,000 requested inspections each year. By implementing this fee the 500 to 1,000 hours spent conducting these inspections required outside of the normal inspection cycle will achieve cost recovery for the inspection time.

Board report prepared by Scott Miller, Captain I, Public Assemblage Unit, Fire Prevention and Public Safety Bureau.