



LOS ANGELES FIRE DEPARTMENT

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FIRE CHIEF

October 30, 2020

TO: Board of Fire Commissioners

BOARD OF FIRE COMMISSIONERS
FILE NO. 20-112

FROM:  Ralph M. Terrazas, Fire Chief

SUBJECT: CHIEF'S REGULATION #4 PROGRAM REPORT

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

Approximately 76,000 fire/life safety protection systems are installed in nearly 26,000 buildings/occupancies throughout the City of Los Angeles such as residential, industrial/warehouse, commercial offices, institutions, schools, churches, high-rise buildings, places of public assembly and small businesses. Like any other types of equipment, fire/life safety protection systems require periodic preventative maintenance and testing to ensure they will perform correctly during a fire or life safety event.

Various provisions of the Los Angeles Fire Code hold the owner of fire protection equipment responsible for proper maintenance and testing of their systems. The Fire Code grants the Chief the authority and imposes on him a general obligation to ensure that fire/life safety protection systems are properly maintained, tested and repaired.

The Los Angeles City Fire Code also grants the Fire Chief authority to make rules for the protection of life and property. These rules are referred to as "Regulations." In 1966 the Fire Prevention & Public Safety Bureau (FPB) developed criteria and standards for performance testing of fire/life safety protection systems, which is called the Chief's Regulation No. 4 (Reg. 4) Program.

The last review and modification of the Reg. 4 Program occurred in 1987. The FPB seeks to modernize and restructure the Reg. 4 Program to increase effectiveness and ensure quality control, increase enforcement efforts and foster better support to the industry. The overall goal for the Reg. 4 Program is to increase compliance of the fire/life safety protection systems throughout the City. This will ensure that Los Angeles is one of the safest cities in the Nation.

This Board Report is a follow up to the previous FPB report made to the Board of Fire Commissioners on October 29, 2019. At that time, an overview of the plan to restructure the Reg. 4 Program was introduced. Presently, we recommend the following specific changes to the Program.

RECOMMENDATIONS

That the Board:

1. Adopt the attached Chief's Regulation No. 4 Restructure Plan
2. Request an ordinance associated with required testing of all Reg. 4's fire/life safety protection systems and fee for such testing
3. Reduce the Certificate of Fitness (CoF) fee within the Cost of Special Services (COSS) fee structure
4. Amend existing contracts with outside vendors as needed (provided to the Board, as required).

FISCAL IMPACT

- Overall decrease of Certificate of Fitness fee to testers by 60%
- New revenue through Systems Tested Fee generating approx. \$1.3M per year

DISCUSSION

The Chief's Reg. 4 Program is a testing program intended to ensure maintenance of fire/life safety protection systems continue to function at the same level as originally intended to operate in accordance with the code(s) in effect when either a new system is installed or when an existing system has been upgraded.

Once a new system is installed and accepted by the Fire and/or Building Department it is required to be tested, which sets the "Initial Test" date. Following the initial test date, the fire/life safety protection systems are tested at either one or five year intervals thereafter, also known as an "Anniversary Testing Date".

In 2006, the State Fire Marshal mandated a program of inspection, testing and maintenance for water-based fire/life safety protection systems, almost identical to the provisions of the Chief's Regulation No. 4 Program, which is commonly known as California Code of Regulations "Title 19/NFPA 25 Inspection, Testing, and Maintenance."

While the Los Angeles Fire Department treats the two programs separately, the testing may be performed *concurrently* (by a Certified Tester). However, the Chief's Regulation No. 4 Performance Report must be submitted to the Fire Department to ensure that all testing is properly performed by qualified/certified testers and submitted to the designated Fire Department Fire Station or Fire Prevention Unit.

The FPB Reg. 4 Unit is responsible for coordinating the Program. Its main duties are to examine applicants to determine competency to become an LAFD Chief' Regulation No.4 Certificate of Fitness holder, to provide oversight of all Certified Testers, and to serve as a liaison between Testers, the public and Fire Department personnel.

There are seven categories to the Reg. 4 program. They are as follows:

- 1. Testers**
- 2. Testing Process**
- 3. Fee Structure**
- 4. Certification**
- 5. Compliance**
- 6. Enforcement**
- 7. Quality Control**



The Reg. 4 Restructure document attached hereto breaks down each category in detail to provide a description of the Program, current challenges, and includes the proposed changes required.

As a leading Fire Department and City, we need to truly foster the growth of the testing industry.

Goals have been established to embrace the proposed changes needed to support the industry at large. These goals are simple for the restructuring of the Program in its entirety, and are broken down into short-term, mid-range, and long-term phases. These phases also provide an overview of the changes described in the attached plan:

Short-term (Phase 1)

- Revise certification fee structure
 - Reduce the fee for Certification of Fitness
- Revamp written test process utilizing outside contractor
- Initiate tracking of certificates within 3rd party existing program
- Draft an ordinance for the Systems Tested Fee (STF)
- Initiate new enforcement program
- Develop working group to include stakeholders within industry
- Increase staffing of Reg. 4 Unit with additional full-time Inspectors
 - Increased as funding is generated based on STF fee
 - See proposed organizational chart below for expansion of Reg. 4 Unit

Mid-range (Phase 2)

- Implement program to track and enforce
 - Private fire hydrants
 - Alternative extinguishing systems
 - Includes hood systems which account for the majority of kitchen fires

- Develop Bi-directional Amplifier (BDA) testing. BDA systems are currently installed in over 300 buildings, high-rise structures and tunnels. They will also be included in all future construction of similar type.

Long-term (Phase 3)

- Increase frequency of wet systems (i.e. sprinkler testing) from a 5-year cycle to an annual cycle, consistent with Title 19 requirements
- Incorporate additional qualifications in alignment with OSFM
 - AES Certification requirement adopted for Sprinkler Systems

CONCLUSION

The FPB is seeking to restructure the Reg. 4 Program, as set forth in the attached Restructure Plan. This plan includes the Certified Testers Program, which has not been reviewed or revised since 1987.

The new revenue generated from the fee associated with the nearly 80,000 systems throughout Los Angeles would support the additional staff needed to ensure consistent quality control measures are in place, overall enforcement, and the type of oversight desired by both the LAFD and the industry. Also, this cost recovery mechanism will assist with recoupment of costs incurred during the compliance/enforcement process. Additional programs and systems subject to testing such as the R1/R2 Program, High-Risk Non-Complaint (HRNC) Program, new properties developed, hoods, BDA's, etc. and the increase in inspection frequency on current 5-year systems will increase the amount of costs subject to recovery.

This restructure could potentially reduce the up-front fiscal impact on Certified Testers the LAFD relies on to gain compliance throughout the City. It will also foster the growth of the testing industry and increase overall compliance of fire/life safety protection systems.

Board Report prepared by Chad Richardson, Commander, Legal Unit, Administrative Section, Fire Prevention and Public Safety Bureau.

Attachment

CHIEF'S REGULATION NO. 4 PROGRAM



THE RESTRUCTURE

HISTORY

Approximately 76,000 fire/life safety protection systems are installed in nearly 26,000 buildings/occupancies throughout the City of Los Angeles such as residential, industrial/warehouse, commercial offices, institutions, schools, churches, high-rise buildings, places of public assembly and small businesses. Like any other types of equipment, fire/life safety protection systems require periodic preventative maintenance and testing to ensure they will perform correctly during a fire or life safety event.

In the 1950's and 1960's, the Fire Department made regular inspections of fire/life safety protection systems and required performance testing and repairs when obvious or suspected system or equipment defects were discovered.

On January 28, 1966, a major fire erupted on the eighth floor of the Commercial Exchange Building at Eighth and Olive Streets in downtown Los Angeles. The building had only one dry standpipe. Recent renovation of the building had made the Fire Department Connection at street level inoperative in a manner that could not be discerned by a visual inspection, which resulted in the fire burning upward to the 12th floor before firefighters could control it.

Shortly after the Commercial Exchange fire, a similar situation occurred at the Roselyn Hotel, (also located in downtown Los Angeles). Again, firefighters were thwarted in their efforts by faulty standpipes. Prior to these fires, the Fire Department had identified the need of quality uniform fire protection equipment and systems testing program. These two fires confirmed that need and caused action to be taken.

The Los Angeles City Fire Code also grants the Fire Chief authority to make rules for the protection of life and property. These rules are referred to as "Regulations."

At the direction of the Fire Chief, throughout 1966 the Bureau of Fire Prevention and Public Safety (BFP&PS) developed criteria and standards for performance testing of fire/life safety protection systems. They included wet and dry standpipe systems (class I & II), automatic sprinkler systems, fire protection signaling systems (fire alarm), fire doors/automatic fire assemblies, fire escape drop ladders, and emergency power systems.

The criteria and standards were presented to the Fire Chief. The Chief then adopted the performance testing standards and presented them to the Board of Fire Commissioners for validation. On April 3, 1967, the "Chief's Regulation No. 4" became law.

The "Chief's Regulation No. 4" remained relatively unchanged until the early 1980's. By 1983, the Fire Department was becoming increasingly aware of the need to properly maintain the newer elaborate fire/life safety protection systems being installed in new high-rise buildings and other complex occupancies such as hospitals, public assemblages, etc.

On March 21, 1984, the Board of Fire Commissioners adopted a completely revamped “Chief’s Regulation No. 4.” The new Chief’s Regulation No. 4 included standards for smoke management systems, automatic elevator emergency operations, gas detection systems and complex fire/life safety systems that had not been previously addressed. Another important addition was the provision for the repair of defective equipment.

Prior to March 21, 1984, the Fire Department Fire Station or Fire Prevention Unit Personnel was required to witness all Chief’s Regulation No. 4 testing with minimal drain on its overall operation. However, inclusion of more equipment, especially the more technical systems, severely hampered the ability of the Fire Department to continue witnessing all testing.

On May 11, 1987, the City of Los Angeles adopted a new Fire Code. Included in this Code are provisions to allow qualified individuals from private industry (not entire companies) to obtain a Certificate of Fitness to perform non-witnessed Chief’s Regulation No. 4 testing and were identified as LAFD “Certified Testers” thus, twenty years after the birth of the Chief’s Regulation No. 4, the Certified Tester Program was inaugurated. “Certified Testers” were allowed to conduct performance tests or portions thereof without the Fire Department present, provided the Fire Department was notified two full working days (actually 4 days day of notification and the day of the test is not counted) in advance of the test and were required to indicate if only a portion or none of the test would be witnessed.

Most of the Chief’s Regulation No. 4 policies and procedures are still intact today. The most notable change is; a few testing frequency changes, new forms, clarification of system defects vs. non operational fire inspection items, and/or Building and Safety installation issues, and the use of newer technology to interact between the Los Angeles Fire Department, the Certified Testers and the public.

INTRODUCTION

Various provisions of the Los Angeles Fire Code hold the owner of fire protection equipment responsible for proper maintenance and testing of their systems. The Fire Code grants the Chief the authority and imposes on him a general obligation to ensure that fire/life safety protection systems are properly maintained, tested and repaired.

The Chief's Regulation No. 4 Testing Program is a Los Angeles City program designed to accomplish these goals by certifying private individuals as "Certified Testers" to perform approved testing of fire/life safety protection systems without fire department personnel on-site to witness the test in accordance with Los Angeles Fire Code Section 117 Certificates of Fitness.

Building and fire code issues such as system or equipment upgrades, building or fire inspections are outside the scope of the Regulation No. 4 Program.

The Chief's Regulation No. 4 (Reg. 4) program is a testing program intended to ensure maintenance of fire/life safety protection systems continue to function at the same level as originally intended to operate in accordance with the code(s) in effect when a new system is installed or when an existing system has been upgraded (e.g. the Title 19, High-rise Retrofit Program of the late 1970's). Once a system is accepted by the Fire and/or Building Department each system or equipment is required to have the entire system tested at either 1 or 5 year intervals also known as a Reg. 4 "Initial Test" which is performed on the system or equipment "Anniversary Testing Date".

In 2006 the State Fire Marshal mandated a program of inspection, testing and maintenance and for water based fire protection systems, which is almost identical to the provisions of Chief's Regulation No. 4 program. These provisions are commonly known as California Code of Regulations "Title 19/NFPA 25 Inspection, Testing, and Maintenance."

While the Los Angeles Fire Department treats the two programs separately, the testing may be performed *concurrently* (by a Certified Tester). However, the Chief's Regulation No. 4 Performance Report must be submitted to the Fire Department to ensure that all testing is properly performed by qualified/certified testers and submitted to the designated Fire Department Fire Station or Fire Prevention Unit. Companies cannot become certified. Only an individual can hold a Chief's Regulation No. 4 (Reg.4) Certificate of Fitness.

The FPB Reg. 4 Unit is responsible for coordinating the Program. Its main duties are to examine applicants to determine competency to become an LAFD Chief' Regulation No.4 Certificate of Fitness holder, to provide oversight of all Certified Testers, and to serve as a liaison between Testers, the public and Fire Department personnel.

PROGRAM OVERVIEW

The last review and modification of the Reg. 4 Program occurred in 1987. The FPB seeks to modernize and restructure the Reg. 4 Program to increase effectiveness and ensure quality control, increase enforcement efforts and foster better support to the industry. The overall goal for the Reg. 4 Program is to increase compliance of the fire/life safety protection systems throughout the City. This will ensure that Los Angeles is one of the safest cities in the Nation.

Our program involves several areas that have been compressed into seven different categories:

1. Testers
2. Testing Process
3. Fee Structure
4. Certification
5. Compliance
6. Enforcement
7. Quality Control



Below is a breakdown of each of the seven categories in detail to provide a description of the program, current challenges, and proposed changes to the overall program.

Goals have been established to embrace the proposed changes needed to support the industry at large.

TESTERS

Fire/life safety protection systems are physically tested by testers that work for private companies that are individually certified by the Los Angeles Fire Department, Fire Prevention Bureau, Reg. 4 Unit. This testing process is provided and conducted by LAFD personnel within the FPB. Our partners conduct the Inspection, Maintenance, and Testing (IMT) of the Fire/Life Safety Protection Systems throughout the City. Individual testers are required to apply for the testing process and pay a fee for the systems they wish to be certified to perform.

Currently, there are approximately 600+ active testers representing nearly 200 companies in the program. Some examples of companies represented by the testers include: ADT, Cintas, Gene Pira, HCI, Shambaugh & Sons and many more.

Outside testers are hindered by the ability to gain certification in a time when we need more testers in the program to achieve our compliance goals.

The need for additional testers will need to have an increase by at least 25% throughout the City by making the appropriate changes listed below along with making the fixed cost similar from company to company vs. the variable costs based on number testers within company in the current model.

TESTING PROCESS

There are several steps required to obtain Certification in the Certified Testers Program. The main components of the steps are the following:

- Qualifications
 - Must be affiliated with a valid company that has a valid business license with City of LA
 - A valid State Contractor's License or a license issued by the CSFM
 - Possess a valid CDL
 - At least (2) years full-time job related experience
 - Can be reduced at discretion of Chief
 - Can be substituted up to 1 yr.
- Application
 - Pay Fee (see Fee Structure)
- Written Exam
 - Each system is a separate test
 - 22 current systems
 - Reg. 4 Manual required
 - 80% Minimum Passing
- Oral Interview
 - Panel of raters conduct knowledge base
- Fitness Test
 - Physical test on-site
 - Conducted at facility arranged by tester
 - Coordinated with Reg. 4 Inspector
 - Pass or Fail

There are two areas in need of improvement and efficiency. The biggest area that we have the opportunity is the written exam part of the process.

Today, the LAFD Reg. 4 Unit Inspector writes the written exam based on the Los Angeles City Fire Code and the Reg. 4 program manual. The Reg. 4 and Legal Unit's conduct the written test 4 times per year either at a Fire Department facility or a central location utilizing outside facilities willing to host the event.

In order to completely restructure the written exam, the LAFD will need to contract with an outside vendor, utilizing existing city contract (e.g. PSI), to develop unbiased and secure electronic testing process with the following criteria:

- Condense the number of tests into categories that contain similarities
- Create multiple versions of electronic tests at a cost of approximately \$100,000.00 to develop
- Identify test center locations throughout the Southern California area that have the hired vendor has the ability to host and proctor electronic testing similar to the Entry level Firefighter process
 - Fee to conduct this online process would range between \$45.00 and \$60.00 per exam (3-4 hour block of time)
 - Fee to be paid directly to the outside vendor by the individual taking the test
- Provide electronic scoring and analytics following each exam to ensure continuous validity

Along with revamping the written test, restructuring the Fitness testing would need to have some slight enhancements that include the opportunity to include:

- Identifying several buildings throughout City and surrounding area for properties and/or facilities containing multiple systems for continued use. Initially, we have identified Local 709 as a facility that will host fitness tests to both union and non-union members.
 - Signed agreement with Local 709 is required, thus the facility will be offered at zero cost to both the city and those taking the fitness test.
- Creating an on-going schedule of testing dates in advance to allow for several potential candidates in a given day increasing our efficiency.

FEE STRUCTURE

Testers Certificate of Fitness Fee (COF) is based on the most current fee structure voted by City Council in January of 2020. The pricing structure has two price points:

- \$1,548.00 initial per system (based on a total of 6 hours @ inspectors current hourly rate)
 - *Administrative 2 – 2 1/2 hours (processing time)
 - Written Exam 2 – 4 hours (does not include application process)
 - Oral Interview 1 – 2 hours (optional)
 - Field Test 2 – 4 hours
 - Total time 6 – 12 hours per test

**Not charging for the administrative time in current COSS fee schedule*

- \$774.00 renewal (prior to exp. Date) (based on 3 hours @ inspectors rate)
- \$774.00 retake (within 30 days) (based on 3 hours @ inspectors rate)

An example of how this impacts a private company to certify three testers, utilizing the current COF Fee above, could create a large financial burden. If we took those three individuals within a company and they tested in 10 systems throughout the year, it would result in the following:

<u>Tester</u>	<u>Date</u>	<u>Systems</u>	<u>Results of exam</u>	<u>Amount Paid</u>
#1	1/20	2 initial	Passed press. stairs & Passed smoke control	\$ 3,096.00
#1	4/20	1 initial	Failed mechanical smoke proof enclosures	\$ 1,548.00
#2	4/20	1 initial	Passed program	\$ 1,548.00
#3	4/20	2 initial	Passed program & Failed emergency generator	\$ 1,548.00
#3	7/20	1 retake	Failed battery	\$ 774.00
#2	7/20	1 initial	Passed auto closing assembly	\$ 1,548.00
#1	10/20	1 initial	Passed emer. generator/battery	\$ 1,548.00
#3	10/20	1 retake	Failed emergency generator	\$ 774.00
Total cost incurred for 10 systems				\$ 12,384.00

Current certification fee structure is costly to administer. Restructuring the certification to a simplified system, utilizing a Systems Test Fee (STF) structure, which is based on the number of systems tested annually, is needed to benefit all parties involved in the Reg. 4 process.

There are multiple local cities in California and surrounding states that have adopted a pass-thru fee structure that ranges from \$25 to upwards of \$41 per system tested. Ideally, we would like to place ourselves within the industry standard and utilize surrounding agencies cost structure to stay within those cities that our testing companies deal with on a daily basis.

Currently, the City of Oxnard is using a \$32 per system fee, the City of Seattle is using \$30 per system, the City of Glendale is at \$30 per system, the City of Phoenix is charging \$30 per report, and the City of Pasadena is at \$41 per system. Several of these cities are also charging a repair fee if there are deficiencies found and a late fee if the tests are not submitted within the allotted time-frame.

The introduction of this new fee structure would generate a new revenue stream for the City of Los Angeles. Utilizing the number of actual systems tested in 2019 at a rate of 1/10 the current Fire Inspectors rate of \$258.00 per hour, which would create a new fee of \$25.80 per system tested. Using 1/10th the rate of a Fire Inspectors adopted hourly rate, prevents the cost per system tested from having any sudden increases without appropriate notification to the industry.

This new fee structure would generate approximately \$1.3M annually, which would fluctuate slightly, depending on the number of systems tested within a year due to the different

frequencies required. Over time, the potential of the new revenue would double to over \$2.6M, provided all phases are put into place, which are covered later in the topic of goals.

This entirely new fee structure based on the tests of each fire/life safety protection system (Reg. 4) in the city of Los Angeles allows testing companies to truly understand their fixed cost per systems they test, similar to those cities mentioned earlier. More importantly, it would provide funding to support the much needed positions within the FPB to support the industry.

Relying solely on the Certificate of Fitness (COF) to support the entire Reg. 4 program makes it difficult for testing companies to know how much to pass on and/or absorb when providing quotes on properties they wish to test.

A simplified cost per system tested will reduce the confusion and the unequitable system currently in place.

CERTIFICATION

All COF certifications are good for 3 years from initial test, which creates the anniversary date. Any system added prior to anniversary date requires payment of initial system fee. Once the anniversary date is reached, any systems that the testers are certified on is required all at once.

Example:

<i>1/2019</i>	<i>1/2020</i>	<i>1/2021</i>	<i>1/2022</i>
<i>Initial (1) System</i>	<i>Add (1) system</i>	<i>Add (1) System</i>	<i>Renew (3) systems</i>
<i>\$1548.00</i>	<i>\$1548.00</i>	<i>\$1548.00</i>	<i>\$774.00 x (3) = \$2322.00</i>

Total amount due from tester from 1/19 thru 1/22 for 3 systems = \$6,966.00 (in example above)

Upon implementation of the new SFT fee introduced in the Fee Structure previously, the LAFD would then have the opportunity to reduce the COF fee to more appropriate cost moving forward.

A review of other metropolitan cities (e.g. Seattle, WA) the certification runs anywhere from \$400-500 per system, that is due every 3 years as well. Also, a current AES IMT Type 1 certification is \$500.00 every year with that cost scheduled to increase to \$600 or \$700 in the near future per the Office of the State Fire Marshal (OSFM).

Reducing the COF fee similar to those in Seattle and the OSFM, an appropriate cost would capture the administrative portion of each COF. The following would be an example of the amount of hours required for such change:

- Original application fee per individual
 - Equal to (2) hours of an Inspectors rate
 - Account for Administrative time for each applicant

- Additional system fee
 - Equal to (2) hours of an Inspectors rate
- Renewal system fee
 - Equal to (1) hour of an Inspectors rate
- Affiliation fee
 - Equal to (½) of an hour at Inspectors rate

Using current fees as an Example:

1/2019	1/2020	1/2021	1/2022
Initial (1) System	Add (1) system	Add (1) system	Renewal (1) system
\$516.00 initial	\$516.00 add	\$516.00 add	\$258.00 renewal
\$516.00	\$516.00	\$516.00	\$258.00 total

Total amount due from tester from 1/19 thru 1/21 for 3 systems = \$1,806.00 vs \$6,966.00 (in ex. above)

Using the proposed fees above with 2019 data, the LAFD would generate approximately \$168,875.00 per year vs. \$ 457,978.00 per year. This creates an overall decrease to the testers by more than 60%.

Regardless of the current Fire Inspectors hourly rate, the proposed fee structure will reduce the cost to the individual tester to their initial system, adding systems, and when due for renewals.

COMPLIANCE

Compliance is comprised of systems and certifications. Each of these are tracked individually by two different software programs.

Since 2015 all of our systems are tracked by a third-party vendor, Brycer, which hosts the web-based program known as The Compliance Engine (TCE). TCE tracks the compliance of all of our Reg. 4 systems identified within the City of Los Angeles, which is totaling around 76,000 fire/life safety protection systems at this time.

A fee is charged by TCE that is paid direct by the Testing agency on a per system bases at the current rate of \$12.00 per system. The City of Los Angeles does not collect any fee for each system tested.

The two main categories of systems tracked are Electrical systems (i.e. Fire Alarm, Elevators, etc..) and Wet systems (Sprinklers, Standpipe Systems, etc). Electrical systems are tested on an annual rotation, while the Wet systems are conducted on a 5-year rotation from their initial anniversary date.

Upon adoption of the SFT fee proposed in the Fee Structure Category, Brycer will collect all fees generated based on the test reports uploaded and tracked within TCE at a nominal rate of 6.8%, which is the same rate established with the cities previously listed during our research.

Certification tracking for our testers is held within an internal built program called Cofusion. The custom software is antiquated and in need of costly overhaul, due to its limited capabilities, including the inability to track multiple anniversary dates and multiple company associations.

Tracking of both Reg. 4 and State License certifications would be added to the existing TCE program and tracked moving forward. The need for support by City staff to maintain the current program of Cofusion would then be eliminated. This would allow for tracking of real-time certifications and discontinue the ability for those expired testers to upload the test reports. This program will also allow for multiple renewal dates if desired.

ENFORCEMENT

To ensure code enforcement, the Legal Unit within FPB provides an internal hearing process coordinated with the City Attorney's Office (CAO) Code Enforcement Unit (CEU), known as our FPB Procedure #30. If the property remains non-compliant following the hearing process, it is then filed as a criminal case with the CEU.

During the enforcement process there are a couple of key timeframes where the department has the ability to obtain cost recovery. Either by generating an F-341 Non-compliance fee, when original inspection and re-inspect do not net results in compliance or the Legal Unit provides investigative costs to the CAO during Criminal Case filing.

Unfortunately, new legislature has been adopted that will discontinue our ability to automatically receive investigative costs during the court process.

The Legal Unit is working to make the code enforcement process more efficient through the following means:

1. Revise our current Procedure #30 to involve the District Inspector within FPB occupancies and will allow the Legal Unit to focus on the Fire Station Occupancies. The aforementioned system testing fee structure would generate additional revenue to support the needed increase to staffing for enforcement.
2. Development of a High-Risk Non-Compliant (HRNC) program has captured the highest liability properties based on a Risk Matrix for Non-Compliant properties throughout the City, which are identified from analytics within TCE. Since April 2019, 126 occupancies were identified during initial rollout phase.
3. Modification of criminal case filings will include any occupancy that contains systems that are >365 days past-due and/or deficient. This will also include any occupancy that is non-compliant following the FPB Procedure #30 process.

A change in the proposed STF fee would offset the cost recovery process in enforcement, due to the current legislature adopted that removed the City's ability to collect investigative costs.

QUALITY CONTROL

Due to the shortage of staffing, there are currently no quality control procedures in place for outside testers, beyond the original certification process. At this time we currently have one Fire Inspector II that handles the Reg. 4 program in a part-time capacity with one senior admin clerk that assists with administrative duties along with other responsibilities within Legal Unit.

Upon approval of the new STF fee, the Reg. 4 Unit would have the ability to implement the following programs to ensure Quality Control standards for Reg. 4's are upheld by the certified testers and Inspectors:

- Orientation
 - Conduct orientation for each prospective tester that includes exposure and training for TCE and LAFD Reg. 4 program
- Witness testing
 - Conducted by Reg. 4 inspectors located geographically within FPB
- Notifications
 - Any testing of Reg. 4's throughout the City of Los Angeles shall be requested by testers 48 hours in advance prior to actual testing
- Continuing Education
 - Conduct TCE training to District Inspectors and independent testers/agencies
 - Provide specific training for individual systems through Subject Matter Experts within the industry

GOALS

These goals are simple for the restructuring of the Program in its entirety, and are broken down into short-term, mid-range, and long-term phases. These phases also provide an overview of the changes described in the restructure plan:

Short-term (Phase 1)

- Revise certification fee structure
 - Reduce the fee for Certification of Fitness
- Revamp written test process utilizing outside contractor
- Initiate tracking of certificates within 3rd party existing program

- Draft an ordinance for the Systems Tested Fee (STF)
- Initiate new enforcement program
- Develop working group to include stakeholders within industry
- Increase staffing of Reg. 4 Unit with additional full-time Inspectors
 - Increased as funding is generated based on STF fee
 - See proposed organizational chart below for expansion of Reg. 4 Unit

Mid-range (Phase 2)

- Implement program to track and enforce
 - Private fire hydrants
 - Alternative extinguishing systems
 - Includes hood systems which account for the majority of kitchen fires
- Develop Bi-directional Amplifier (BDA) testing. BDA systems are currently installed in over 300 buildings, high-rise structures and tunnels. They will also be included in all future construction of similar type.

Long-term (Phase 3)

- Increase frequency of wet systems (i.e. sprinkler testing) from a 5-year cycle to an annual cycle, consistent with Title 19 requirements
- Incorporate additional qualifications in alignment with OSFM
 - AES Certification requirement adopted for Sprinkler Systems

SUMMARY

The FPB is seeking to restructure the Reg. 4 Program, as set forth in the attached Restructure Plan. This plan includes the Certified Testers Program, which has not been reviewed or revised since 1987.

This restructure allows the LAFD to not rely completely on the income from the certification process of each individual tester; however, it does allow for funding to support the program based on the actual maintenance tests that are occurring on an annual, semi-annual, or 5-year basis. Thus, allowing for a fair and equitable cost structure that comprises a fee structure to be a true fixed cost on a per system basis, while decreasing the overall impact to the individual testers by nearly 60%.

In fiscal year 2019/2020 the City of Los Angeles collected \$457,978.00 for conducting certification testing for the individual testers for the LAFD. At the same time, the CAO was able

to collect \$93,271.17 for enforcement. The efforts of the FPB totaled \$551,249 in revenue to operate and enforce the Reg. 4 program.

Implementing a new Systems Tested Fee would produce an entirely new revenue stream generating nearly \$1.3M initially. The Certificate of Fitness fee would generate an ongoing fee of approximately \$200,000. Overall, the restructure would produce total revenue of \$1.5M annually, which will increase over time with more systems identified with R1R2 program, acceptance of new properties, adding additional systems tracked (i.e. private hydrants, hoods, BDA's, etc..) along with increase in frequency on current 5 year systems.

This new revenue generated from the fee associated with the nearly 80,000 systems throughout Los Angeles would support the 600 plus testers and over 200 companies within the Reg. 4 program by providing additional staff needed to ensure consistent quality control measures are in place, overall enforcement, and the type of oversight desired by the LAFD and the industry. Also, this cost recovery mechanism will assist with recoupment of costs incurred during the compliance/enforcement process.

Overall, this restructure could potentially reduce the up-front fiscal impact on Certified Testers the LAFD relies on to gain compliance throughout the City. It ensures the building owner & property manager that they are hiring quality testers to conduct the required testing of their systems and allows their testing companies to understand their true fixed costs for each system tested. It will also foster the growth of the testing industry and increase overall compliance of fire/life safety protection systems in the City of Los Angeles.

PROPOSED STAFFING MODEL

