PREPARING INCIDENT COST ESTIMATES 3861

(No. 48 Jun 2013)

The governing policy for incident cost estimates is laid out in Section 3822. Cost estimating includes costs related to the involvement of both CAL FIRE resources and cooperating agency resources. Descriptions of the estimating process and the forms that are required are discussed below.

PURPOSE OF COST ESTIMATING 3861.1

(No. 48 Jun 2013)

CAL FIRE is funded for initial attack fire suppression response only. Normally, limited authority and funding is obtained for extended attack responses to fires either through the Budget Act or deficiency requests. This funding is commonly referred as the "Emergency Fund" (E-Fund). The E-Fund may **only** be used for fire incidents.

The cost estimating program is used to estimate the costs of emergency response. The Emergency Response Billing Unit (ERBU) utilizes these estimates to respond to legislative requests and reports to various agencies, as well as aiding in preparation of budget deficiencies.

In addition to fire suppression activities, CAL FIRE responds to non-fire incidents where additional costs are incurred. These costs must be captured to develop either:

- A request for reimbursement from another agency
- A deficiency request for additional funding

In such cases, a unique Program Cost Account (PCA) code must be obtained from the Departmental Budget Office and used to accumulate the costs separately in CALSTARS for billing and auditing purposes. This PCA code must be listed in the cost estimate report. If these costs are not identified and reported properly, the potential for obtaining additional funding or reimbursement is lost. When that occurs, the costs must be covered by the regular operating budget of the responding unit.

Cost estimates can also capture cooperating agency costs and provides an estimate of the overall costs of the incident. It is important to remember that cost estimates are usually the basis for determining the results of cost apportionment between agencies. This makes it necessary to capture all estimated costs of other agencies, also. Without these costs, the ERBU has only part of the information necessary to determine CAL FIRE's fiscal liability for the incident.

INCIDENT COST ESTIMATE REPORTS 3861.2

(No. 48 Jun 2013)

DESCRIPTION OF THE INCIDENT COST ESTIMATE REPORT 3861.2.1

(No. 48 Jun 2013)

A cost estimate is a field-generated report that identifies costs associated with an incident on a projected basis. Costs for CAL FIRE personnel and equipment are categorized as either base costs provided for in the regular operating budget, or additional costs which are not.

The cost of CAL FIRE personnel on scheduled duty and regular use of CAL FIRE equipment are base costs. Added costs include unplanned overtime for CAL FIRE personnel, fuel and incident-related damage to CAL FIRE equipment, and other government, rental equipment and supply resources. All costs should be based on actual expenses when readily available, otherwise a set of annually revised rates established for each resource category may be used.

USES OF THE INCIDENT COST ESTIMATE REPORT 3861.2.2

(No. 48 Jun 2013)

The Incident Cost Estimate Report may be used to report costs associated with any type of incident. The separation between base and added costs for CAL FIRE employees and equipment provides a means to estimate E-Fund or unfunded costs. Base costs are used for planning, analysis and billing.

The cost estimate information is used for, but not limited to, the following purposes:

- An estimate of potential billable receipts of the total costs of qualifying fires.
- An estimate of added costs enables CAL FIRE to provide the Department of Finance and the Legislature the information that is necessary to obtain additional funding for the E-Fund.
- Estimating the added costs associated with unfunded incidents, such as major hazardous waste spills, floods, earthquakes, riot responses, etc. This provides the information necessary to develop requests for additional funding to cover the cost associated with the effort.
- An estimate of the total cost of an incident provides management information that may be reported to the media, etc.
- An estimate can provide the information needed daily for the Incident Status Summary (ICS-209) and can be used by the Incident Command staff for decision making.

Periodically, the actual costs of fire suppression reflected in CALSTARS, billing and other cost records are compared with an Incident Cost Estimate Report. The results are used to

evaluate the effectiveness of the estimating instructions, automated tools, rates and forms in order to improve the accuracy of estimates.

RELEASE OF INCIDENT COST ESTIMATES 3861.2.3

(No. 48 Jun 2013)

When releasing incident cost estimates for use by individuals within CAL FIRE or by other agencies, advise the requestor that the actual, final expenses will differ from the estimates. There are significant differences between damage costs, fire suppression costs, base costs versus added costs, costs to CAL FIRE, costs to other agencies, shared costs, and billable costs. To the extent that factors contributing to a variance are known or suspected, advise the requestor of those factors. Make a notation to whom the information has been provided to outside of its normal distribution process. For example: California Emergency Management Agency (Cal EMA), Public Affairs, etc.

THE COST ESTIMATING PROCESS 3861.3

(No. 48 Jun 2013)

WHO COMPLETES INCIDENT COST ESTIMATES 3861.3.1

(No. 48 Jun 2013)

When an incident cost estimate is required, the responsibility for initiating the process belongs to CAL FIRE employees assigned as follows:

- Incident Commander (IC) or designee for CAL FIRE incidents with no finance section
- Agency Representative, if there is no CAL FIRE IC
- Finance Section Chief or designee, if a CAL FIRE finance section has been established
- Mobilization Center Manager for a mobilization center
- Region or Unit initiating pre-positioning of CAL FIRE resources outside their home Unit or initiating special staffing that includes other agency resources
- Unit Chief or designee for incidents where an estimate is not completed at the incident

For all incidents where an estimate is required but not begun at the incident, the Unit Chief of the Unit responsible for the incident must ensure that an estimate is completed. In the case of special staffing patterns, the ordering unit must notify the Sacramento Headquarters Administration and Incident Support (AIS) Unit by e-mail. For more information on the reporting requirements for special staffing patterns, see Section 3861.3.2. For all orders generated to track California Multi-Agency Coordination (CalMAC) Operations activity, the estimate package is the responsibility of the Unit that issues the order.

WHEN COST ESTIMATES ARE REQUIRED 3861.3.2

(No. 48 Jun 2013)

CAL FIRE is budgeted for initial attack responses to emergency incidents. Whenever CAL FIRE resources are committed beyond initial attack, additional costs are incurred. Since funding for these types of activities is not included in CAL FIRE's base budget, alternative funding sources must be pursued. Criteria for submitting estimates for each type of incident are given below.

The requirement for completing cost estimate reports includes incidents in direct protection areas, contract counties, rehabilitation operations, mobilization centers, extended law enforcement operations and commitments as resources for hire to other agencies.

FIRE INCIDENTS 3861.3.2.1

(No. 48 Jun 2013)

The criteria for using the E-Fund are described in detail in Section 3821. An Incident Cost Estimate Report is required when access to the E-Fund is authorized and any of the following occurs:

- Resources beyond those identified on the high dispatch response plan as initial attack are committed to a fire incident
- Resources are committed into the second burning period
- CAL FIRE resources respond as assistance-by-hire
- A mobilization center is activated
- CAL FIRE resources are pre-positioned outside of their home unit
- Special staffing requires the resources of other agencies

The intent of these triggers is to ensure reporting costs of fires that have a significant impact (> $25,000) to the E-Fund. When in doubt, always prepare an estimate. A burning period is defined as the twenty-four hour period beginning at 1000 hours. The second burning period would be the period beginning at 1000 hours on the calendar day after the start date of the fire (e.g., the fire starts at 1159 hours on 8/1, the fire will enter second burning period at 1000 hours on 8/2).

SPECIAL STAFFING PATTERNS 3861.3.2.2

(No. 48 Jun 2013)

Special staffing patterns (also known as Select Call, Special Call or any form of a Staffing Pattern set forth in the 8100 Command and Control Procedures Handbook, Procedure 203) can generate costs to the E-Fund or unfunded additional costs and must be reported. Special staffing that primarily requires CAL FIRE personnel on duty in their home Unit requires e-mail reporting rather than a cost estimate. The Command Center that processes the order for a special staffing pattern must notify the AIS Unit by e-mail. The e-mail is to be addressed to "Special Staffing" on the day that the staffing pattern was initiated and again when it is cancelled.

The e-mail should include the following information:

- Start time
- End time or when replaced by another staffing pattern
- Incident/order and request numbers for the pattern
- Reason for calling the pattern

Special staffing which includes other agency resources must have a cost estimate report prepared by the Unit or Region initiating the special staffing.

NON-FIRE INCIDENTS 3861.3.2.3

(No. 48 Jun 2013)

For **all** other incidents where additional costs are incurred **and** additional funding must be requested, a cost estimate **must always** be completed. Examples of these types of incidents are: hazardous waste spills, floods, riots, earthquakes, etc.

Special PCA codes have been established by the Departmental Budget Office for non-fire incidents in order to segregate these costs from regular operating expenditures in CALSTARS. Cost estimate reports are used to support requests for additional funding. More detailed information related to non-fire incidents can be found in Section 3820.

The E-Fund is designated for fire activity only. Added costs related to other types of incidents **cannot** be charged to the E-Fund. If alternative funding is not obtained through a billing process or through a deficiency request, the additional costs must be borne by the home Unit of the resources committed to the unfunded activity.

CalMAC OPERATIONS AND MAJOR ACTIVITIES 3861.3.2.4

(No. 48 Jun 2013)

During major statewide fire sieges and CalMAC Operations, costs must be reported daily to the AIS Unit. These daily estimates should be e-mailed using the Incident Cost Estimating Program's transfer menu. If the estimates cannot be e-mailed, they may be faxed to 916-653-2556. Reports previously faxed must be replaced by the program's internal e-mail report function when that can be done. A complete package and a Final Incident Cost Estimate Report for each incident must still be forwarded to the AIS Unit **within 14 days** after the close of each incident.

With Region approval, the CAL FIRE CalMAC Finance Section Chief will contact the Finance Section Chief at each incident to establish daily procedures for reporting incident costs, including estimates of CAL FIRE costs. The cost data from the various incidents may be compiled by the CalMAC Finance Section and reported to the senior management of the participating agencies as requested. When the need for cost information is deemed necessary, the request will be made, through channels, to the Incident Finance Section by a person designated by senior management. Similar procedures for daily reporting will then be established.

SERIES OF LIKE RESPONSES 3861.3.2.5

(No. 48 Jun 2013)

Often a series of responses is made within a unit that is related to the same type of occurrences, such as lightning strikes or floods. When considered separately, these responses may not reach a trigger that would normally initiate a cost estimate, but when they are considered together, the combined cost to CAL FIRE may be substantial. When these types of situations arise, the Administrative Officer or the Section Chief, within the Unit or Region, must initiate a cost estimate for these combined responses.

LAW ENFORCEMENT OPERATIONS 3861.3.2.6

(No. 48 Jun 2013)

Certain costs associated with extended law enforcement operations may be charged to the E-Fund (Law Enforcement Handbook, Sections 9425 and 9425.1). When the E-Fund is accessed for law enforcement operations, a cost estimate report must be prepared by the IC of the operation.

NOTE: The routing of the estimates is different for law enforcement operations. See Section 3861.3.3 below.

WHERE AND WHEN TO SUBMIT COST ESTIMATE REPORTS 3861.3.3

(No. 48 Jun 2013)

Cost estimate reports are to be sent daily to the AIS Unit using the Incident Cost Estimating Program's transfer menu. If e-mail is not available, reports may be faxed to the AIS Unit at 916-653-2556. Reports previously faxed must be replaced by the program's internal e-mail report function when that can be done. The Final Incident Cost Estimate Report is due as soon as practical after an incident is contained, but **no later than 14 days after the end of the incident**.

The Final Incident Cost Estimate Report for all incidents that meet the criteria provided in Section 3861.3.2 shall be routed as follows: the **original** is sent to the AIS Unit; the **second** copy is sent to the Unit with responsibility for the incident, and the **third** copy is sent to the Region Cost Recovery Office. The person who has responsibility for completing the estimate, as set forth in Section 3861.3.1, is also the person responsible to send the estimates.

Note: The routing of cost estimates is different for law enforcement operations. **Daily estimates are not to be sent to the AIS Unit. Any interim reports and the Final Incident Cost Estimate Report shall be sent to the Sacramento Headquarters Fire Prevention Office.** References to locations and Units will be redacted before the final report is sent to the AIS Unit. Copies of the final report must also be routed to the Administrative Officer of the Unit where the operation occurred and to the Region Cost Recovery Office.

PREPARING COST ESTIMATES 3861.4

(No. 48 Jun 2013)

THE INCIDENT COST ESTIMATING PROGRAM 3861.4.1

(No. 48 Jun 2013)

Cost estimates are prepared using the Incident Cost Estimating Program, which is updated with new estimate rates each year. This automated database program is available from the Sacramento Headquarters' Administration and Incident Support (AIS) Unit.

A copy of the most recent version of Incident Cost Estimating Program is usually available on the transfer server. Navigate to the transfer server beginning with the [Start] button at the bottom left corner of the computer screen. Click on "Run…" then enter "\\Transfer\Transfer\" and click [OK]. Right-click on the folder labeled "Cost Estimating Tools.". Click "Copy," then "Paste" it to your computer "C:\" hard drive or desktop.

Instructions on how to use the Incident Cost Estimating Program are included in the Cost Estimating Tools folder. Program support is also available by calling the AIS Unit at 916-653-2675.

ACTIVITIES INCLUDED IN THE COST ESTIMATE 3861.4.2

(No. 48 Jun 2013)

Any activity associated with an incident that meets the following criteria must be included in the cost estimate:

- Activity that generates a charge to the E-Fund
- Activity that constitutes a potential charge to CAL FIRE by another agency
- Activity that constitutes a potential billing by CAL FIRE to another agency
- Activity that may necessitate a request for additional funding

Estimated costs are calculated by using rates provided by the AIS Unit and updated in the 3900 Rates Handbook. The rates are an internal part of the program to assure accuracy and ease of use. For resources or items not shown in the Incident Cost Estimating Program or the Resource and Estimate Rates List, and when the actual costs cannot be readily determined, the person preparing the report should make the best estimate based on information that is available. **Actual costs should be used when available, otherwise use estimates.**

Activities in the cost estimate must include:

- Ground attack
- Aircraft activity
- Overhead

- Support equipment
- Support costs
- State and local agencies
- Hired equipment and emergency workers
- Federal assistance by hire
- Contract counties
- Other incident costs

EVALUATION OF COST DATA 3861.4.3

(No. 48 Jun 2013)

The analyst must carefully evaluate the data to determine whether the resources should be considered upfront costs to CAL FIRE or costs to another agency. The estimating process should begin with an analysis of the cost situation of the incident. The following aspects should be examined for fiscal implications:

- Which agencies are involved?
- Which agency has responsibility for the incident?
- Which costs are CAL FIRE responsible for directly?
- Are there any costs that CAL FIRE may become responsible for eventually?
- Is there a potential reimbursement to CAL FIRE by another agency or entity?
- Are there any existing agreements between the involved agencies that will impact fiscal liability?
- Have any agreements about fiscal liability on this particular incident been made?
- Is there a cost share agreement? Which agencies are parties to the agreement? **Always obtain and include a copy of any cost share agreement with the Incident Cost Estimate Report.** If the cost share agreement is not completed when the final report is sent, make arrangements to have it sent as soon as it is available.

The end result of this analysis should be a clear understanding by the cost analyst of which costs will be paid initially by CAL FIRE and which will be paid by other agencies. The analyst should be aware of all agreements to cost share and have an understanding of the fiscal impact of these agreements on CAL FIRE. Usually, when a cost share agreement exists, resources of the other participating agencies should be listed in the Incident Cost Estimating Program's data entry pages: "Costs Paid by Federal Agencies" and/or "Costs Paid by Local Government." These resources will not normally be initial costs to CAL FIRE, but a portion of them may be billed later through the settlement terms of the cost share agreement. The analyst is not required to project the percentage of ultimate cost to CAL FIRE as part of this estimate process.

This preliminary analysis will determine how the costs are reflected in the estimate. In all cases, actual costs are more desirable than estimates generated by rates (especially for hired equipment, aircraft and support costs). Analysts are encouraged to include a written analysis of their findings with their final cost report.

DATA COLLECTION SOURCES 3861.4.4

(No. 48 Jun 2013)

Once an assessment regarding the fiscal impact to CAL FIRE has been made, the analyst should begin to collect data. For major incidents of extended duration, data collection must be done at least once each day and must be documented using the Incident Cost Estimating Program. The following data sources should be used daily:

ROSS Report	Resource Ordering and Status System (ROSS) has detailed reports which are an excellent source of information for resources assigned to an incident.
IAP	Incident Action Plan (IAP): Review the IAP to update and validate information obtained from other sources.
AIR ATTACK	Contact participating air bases and helitack bases to obtain air program cost information daily. Other sources for air program costs include Air Operations Branch, Air Support Group, and Call When Needed (CWN) managers.
ICS-209	Incident Status Summary (ICS-209) report: Obtain an ICS-209 from the Planning Section. Use this as a base from which to work. **DO NOT** use the ICS-209 alone to determine the number of resources by agency on the incident.
FC-34	Interagency Report of Incident and Dispatch Action (FC-34): Obtain resource orders from all participating agencies. Contact the Incident Ordering Manager or the local Emergency Command Center (ECC), Region ECC, or Sacramento Headquarters ECC.
ICS-211	Incident Check-In List (ICS-211): Obtain check-in status information from the check-in recorder.
PTR/ETR	Personnel Time Recorder (PTR), Equipment Time Recorder (ETR): Use this information to validate and update information obtained from the resource order and check-in status reports.
LOGS	Check with the Logistics Section to obtain current information on support costs.
RESTAT	Resource Status Section (RESTAT): Check with RESTAT to update and validate information obtained from other sources.
AREP	Agency Representatives (AR): Check with other Agency Representatives of cooperators when necessary for cost and resource information.
AGY CUL	Agency Cost Unit Leaders (AGY CUL): When cooperating agencies have an established Cost Unit, obtain those agencies' cost estimates from their Cost Unit.
UNIT	Contact the local Unit to obtain resource order and incident support information. Note any other incident numbers that are used for the incident and include them on the estimate report.

INCIDENTS OF SHORT DURATION 3861.4.5

(No. 48 Jun 2013)

When costs of incidents of short duration are being estimated, the cost analyst may find it convenient to combine two or more days of all resources assigned to the incident onto one page (one day) of the report. When doing so, enter a comment on the daily resources page stating which days have been combined.

WHEN A COST SHARE AGREEMENT EXISTS 3861.4.6

(No. 48 Jun 2013)

When a cost share agreement is expected for joint jurisdiction incidents, the cost estimate should include estimated costs for the agencies participating in the cost share agreement. Without estimates of other agency costs, the Emergency Response Billing Unit has incomplete information to determine whether a cost apportionment incident is payable or receivable. **A copy of the cost share agreement must be included with the Final Incident Cost Estimate Report and sent to the AIS Unit.** If the cost share agreement is not completed when the final report is sent, make arrangements to have it sent as soon as it is available.

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(see Forms or Forms Samples)