

CALIFORNIA WILDFIRE BUSINESS COORDINATING GROUP

3862

(No. 16 March 2002)

INTRODUCTION OF THE CALIFORNIA WILDFIRE BUSINESS COORDINATING GROUP

3862.1

(No. 16 March 2002)

There has been a dramatic increase in the complexity and cost of suppressing wildland fires in California. To counter the increased potential losses of life, property and natural resources, the Bureau of Land Management (BLM) the National Park Service (NPS), the Forest Service (USFS) and the California Department of Forestry and Fire Protection (CAL FIRE), here and after referred to as the wildland fire agencies, have clarified and enhanced the relationship through the Cooperative Fire Protection Agreement (CFPA).

Each Agency's management has joined in the California Wildfire Business Coordinating Group (CWBCG). This group supports the continued development of cooperative relationships as a highly positive means of improving service to the public. The purpose of the CWBCG is to facilitate the cooperation and resolution of cost and financial administrative issues resulting from joint agency fire firefighting activities. Individual agency policies and procedures will also be considered in decision(s) and action(s) of the CWBCG.

Many of these improvements represent significant changes in how the agencies cooperate on emergency incidents and how business practices are conducted.

WHEN IS A COST SHARE AGREEMENT NECESSARY

3862.2

(No. 16 March 2002)

A cost share agreement is needed when there is a **multi-jurisdictional incident with a unified command and a decision has been made to share resources among jurisdictional agencies**, or, an incident threatens to burn across the Direct Protection Area (DPA's) of the fire agencies involved and the mutual aid period has been exceeded. The agreement should be agreed to by the Incident Commanders and/or Authorized Representatives.

All cost share agreements must be incident-specific and documented in writing. See Cost Share Agreement ([Blank](#)) and Cost Share Agreement ([Completed](#)).

WHO IS RESPONSIBLE FOR THE AGREEMENT

3862.3

(No. 16 March 2002)

Normally, the responsibility for the cost share agreement will be delegated to the Incident Commanders (ICs)/Authorized Representatives. The Incident Finance Section Chief is advisor to the Incident Commanders/Authorized Representatives. The Incident Finance Section Chief is responsible for documenting the decisions.

EXECUTING THE AGREEMENT

Incident Commanders/Authorized Representatives are responsible for:

- A. Selecting the method of cost sharing (see Section 3862.6 below).
- B. Determining when cost sharing will go into effect. (Cost sharing should start at initial attack.)
- C. Determining when cost sharing will terminate, (INCIDENT CLOSURE DATE) which should be based upon the accounting system's ability to distinguish between shared and non-shared actual costs. Usually this occurs when the incident ceases to generate support costs.
- D. Understanding and enforcing agency cost share policies.
- E. Providing written documentation of all decisions and an executed cost share agreement.

Incident Commanders and Finance Section Chiefs do not have the authority to change provisions of any cooperative agreement or departmental policy.

MULTI-AGENCY COST APPORTIONMENT TECHNICAL SPECIALISTS:

Multi-agency Cost Apportionment Technical Specialists (CATS) are to assist and advise in the Cost Share Agreement for the larger and/or more complex incidents. As soon as the Incident Commander determines that the criteria for cost sharing exists, an order should be placed for the CATS.

DESCRIPTION OF THE COST SHARE AGREEMENT

3862.4

(No. 16 March 2002)

A cost share agreement is a document that shows financial responsibility for resources associated with an incident.

FORMAT FOR COST SHARE AGREEMENTS

3862.5

(No. 16 March 2002)

Sample cost share agreements have been provided within the California Interagency Administrative Guide (CIAG).

The agreement must be understandable and executable by personnel who will be processing the billing documentation and/or attending the settlement meetings.

The following information appears in the cost share agreement:

1. The names of the agencies involved (DPA) in cost sharing.
2. The incident name and incident order number(s) (P-code for Federal agencies) assigned by each agency.
3. The incident start and ending dates and times.
4. A statement of intent to share suppression costs by the responsible agencies.
5. The contact names and telephone numbers of the Incident Commanders, or the Authorized Representatives, Finance Section Chiefs and/or Cost Apportionment Technical Specialists.
6. Date and signatures of the Incident Commanders and/or Authorized Representatives.
7. Supplemental statements may be required to address incident specific issues such as:
 - A. Agency specific costs to be excluded from the cost share pool. (Non-suppression rehabilitation (BAER), Resources NOT ordered by and/or for the incident, etc.)
 - B. Agency requested purchases for non-expendable property would be excluded from the cost pool.

Out-of-state transportation costs and motel costs are not considered agency specific.

For more specific information refer to the operating plan published in the CIAG.

METHODS FOR DETERMINING COST SHARE

3862.6

(No. 16 March 2002)

The four basic methods used to assign costs when developing the cost share agreement are:

1. Initial Attack Agreement (IAA)

“Initial Attack Agreement” is used for fires of 48 hours duration or less.

The Incident Commanders formally decide who will assume financial liability for resources used on the incident regardless of who orders or uses the resources. Under this cost share methodology there are limited support costs. A detailed discussion of IAA is provided in Section 3862.7

2. You-Order-You-Pay (YOYP)

The “You-Order-You-Pay” method is also used on incidents of less than 48 hours duration. The concept of " You-Order-You-Pay" is that each agency is fiscally responsible for the resources that fill their requests, regardless of where used on the incident. A detailed discussion of YOYP is provided in Section 3862.8.

3. Burned Acres

This method can be used for all fires when agency **suppression efforts are equal**. All costs are divided between agencies based on the burned acreage percentage of fire within their direct protection area. This method becomes questionable when one agency responsibility or objective is more complex, and thus more costly, in terms of fire suppression effort. A detailed discussion of "Burned Acres" is provided in Section 3862.9.

4. Cost Apportionment

The Cost Apportionment method may be used for all fires. It is required for all fires over 48-hour duration when agency suppression efforts are not equal. The cost apportionment method is used where all agencies agree to share final, actual billable costs. A detailed discussion of Cost Apportionment is provided in Section 3862.10.

PROCEDURES FOR USE

- INITIAL ATTACK AGREEMENT (IAA):

3862.7

(No. 16 March 2002)

The “IAA” may be used for initial attack with fires having only minor augmentation of resources for durations of 48 hours or less.

1. An Incident Commander or Authorized Representative may agree to assume full cost responsibility for resources that may have been shared (such as dozers or handcrews working on both areas of direct protection responsibility) regardless of who ordered and used it. **This ability to "trade" liability for resources is what distinguishes the IAA cost share method from YOYP.**
2. Incident Commanders shall determine each agencies responsibility for payment of support costs.

PREPARING COST DATA FOR THE IA AGREEMENT 3862.7.1 (No. 16 March 2002)

All resources to be shared need to be identified.

The Incident Commanders must make a decision on cost accountability for each resource or group of resources.

All decisions by the Incident Commanders must be documented through the cost share agreement.

Each agency will prepare a billing package for its resources for which the other agency has agreed to accept cost accountability. At the settlement meeting agencies may "trade off" values of resources to arrive at a final invoice cost.

PROCEDURES FOR USE – YOU ORDER YOU PAY (YOYP) 3862.8 (No. 16 March 2002)

1. Establish the unified ordering point (UOP) - the assisting agency sends its representative to the UOP. All resource orders are preceded by the 4-letter designator of the agency assuming the costs for that order. **The YOYP method will fail if this procedure is not followed.**
2. See Section 3862.8.1 for instructions on how to prepare the cost data for the YOYP agreement.

CORRECT USE OF UOP IS CRITICAL TO THE SUCCESS OF YOYP 3862.8.1 (No. 16 March 2002)

YOYP is only as good as the implementation of the unified ordering point (UOP). Incident Commanders and the Finance Section Chiefs are responsible for making sure that the UOP on a YOYP incident has been established.

An important key to the success of a UOP is that the Incident Commanders immediately determine which agency's dispatch center will be identified as the UOP. Once this has been established, the UOP's incident number will become the order number for the duration of the incident. (The point of origin determines agency and order number.) All requests for resources for the incident will be through the UOP, prefaced by the 4-letter identification of the agency assuming financial responsibility for support of the incident. (If the four-letter identifier is not used, this methodology will be difficult to implement.)

Region ECC and USFS Zone requests for support of the incident will be relayed to the UOP for a complete record of the incident. A representative from all other involved agencies may be assigned to the UOP.

BURNED ACRES **3862.9**
(No. 16 March 2002)

PROCEDURES FOR BURNED ACRES **3862.9.1**
(No. 29 March 2006)

1. Determine that agencies agree to use burned acres and assure that all understand how the acreage split will apply to the overall cost pool.
2. Identify any special concerns such as aircraft costs, structure protection resources or rehabilitation activities and how they will be shared. ICs and agency representatives must agree on cost split methods that are workable when preparing billing packages by each agency's accounting section.
3. Document special concerns in the agreement or in an addendum. Include copies of the objectives outlined in the IA or explain the reasons for special procedures in an addendum. This will provide support information to justify specific cost splits.
4. Determine when cost sharing will terminate. Consideration must be given to the problem each agency's accounting office will have with identifying how costs can realistically be excluded from the cost pool after cost sharing ends. Usually, cost sharing terminates when the incident ceases to generate support costs.

PROCEDURES FOR USE - COST APPORTIONMENT

3862.10

(No. 16 March 2002)

GENERAL DISCUSSION

3862.10.1

(No. 16 March 2002)

Cost apportionment is more labor intensive than the other cost share methodologies, and will require a request for Cost Apportionment Technical Specialists (CATS) to perform the function.

The Finance Section Chief and CATS advise the Incident Commanders/Authorized Representatives on the general requirements for using this method.

This method of cost sharing identifies the suppression effort expended to protect each agency's DPA, including the threat to another agency's DPA.

Suppression resources are tracked based on where they were assigned on the incident, as indicated in the corrected operational period Incident Action Plan (IAP).

Other references available for validation of suppression resources may be:

- Interviews with Operation Section Chiefs and other personnel
- Division Assignment Sheets ([ICS 204](#))
- Incident Status Summary ([ICS 209](#))
- Check-In Lists ([ICS 211](#))
- Unit Logs ([ICS 214](#))
- Resource Orders forms (FC-101, [FC-34](#), MIRPS, ROSS, CAD, Incinet, etc.).

Additional information used for tracking aircraft suppression resources are air attack base records, helibase cost data sheets, Memorandum Flight Record (FC-81). This data identifies aircraft resources used during the operational period. Air operations must provide the ICs with flight information to determine a split for each operational period.

The suppression resources identified in the IAP are assigned values to determine the suppression effort expended on each agency's DPA. These values are determined and published jointly by the wildland fire agencies and approved by CWBCG.

All parties to the cost apportionment agreement agree to share final actual billable costs based on the suppression effort expended.

COST SHARE FOR MOBILIZATION CENTERS

3862.11

(No. 29 March 2006)

Authority - As provided in the Cooperative Fire Protection Agreement, General Provisions, wildland fire agencies agree to share costs for temporary activation of mobilization centers.

Fiscal Responsibilities of Mobilization Centers - The mobilization center managers have a key role in identifying the final sharing of costs generated by the mobilization center. They need to ensure that the mobilization center organization identifies the following responsibilities:

- Charge fire resources served by the mobilization center to specific fire incidents, when possible.
- Tracking and documentation of those fire incidents supported by each mobilization center.

Identification of Agency Costs - When a mobilization center is activated, account for mobilization center costs separately from specific incident costs. To accomplish this, use agency order numbers specific to the mobilization center(s), and **do not** commingle with ongoing incident order numbers.

Cost Pool Procedures - It is intended to keep cost pools for mobilization centers limited to multi-incident support costs.

When agencies cannot identify costs to a specific incident or mobilization center(s), the affected agencies agree to share based on a negotiated agreement. Cost pools for a mobilization center should include:

- Expenses for the temporary physical operation and maintenance of the center.
- Special support services that cannot be reasonably or accurately charged back to a specific incident.
- Personnel and equipment time for resources supported at the mobilization center(s), and/or mobilized, but not assigned to a specific incident.

Assignment of Fiscal Responsibility for Mobilization Center Costs –

The total cost pool for a center is the sum of the contributing agencies' cost pools. Agencies benefiting from the operation of a mobilization center agree to share the total cost pool for the center and to identify agency shares of those costs after determining the resource assignment.

The representative members of the California Interagency Incident Finance Advisory Group will be responsible for:

- Identifying and finalizing agency mobilization center cost shares, and
- generating and recommending final mobilization center fiscal responsibilities for their agency.

DISTRIBUTION OF COST SHARE AGREEMENT

3862.12

(No. 29 March 2006)

Each signatory agency must receive an original signed cost share agreement. These original signature copies must be provided to each CAL FIRE Unit and federal agency by the Incident Finance Section Chief or the Incident Commander.

MAINTENANCE OF RECORDS ON FILE

3862.13

(No. 29 March 2006)

All cost share agreements should be retained as per the Cooperative Fire Protection Agreement. All agencies shall be subject to examination and audit for three years after final payment under the terms of this agreement.

[\(see next section\)](#)

[\(see HB Table of Contents\)](#)

[\(see Forms or Forms Samples\)](#)