



COUNTY OF SAN MATEO
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April 18, 2025

Adam Ely

Deputy County Executive

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Redwood City, CA 94063

Re: CAL FIRE Contract Compliance Review – Audit Report

The Controller's Office Internal Audit Division conducted a contract compliance audit and value assessment of the contract between the County and the California Department of Forestry and Fire Protection Services (CAL FIRE). The contract is for the provision of fire protection services for unincorporated areas within San Mateo County.

We determined that CAL FIRE is complying with the contract's terms and requirements and that the County appears to be receiving reasonable value from the services provided. No findings were noted per this review.

Sincerely,

Kristie Silva

Kristie Silva

Assistant Controller

cc: Andrew Loke, Management Analyst, CEO's Office



COUNTY OF SAN MATEO
OFFICE OF THE CONTROLLER

CAL FIRE Contract Compliance Review

Audit Report

April 18, 2025

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EXECUTIVE SUMMARY

The Controller's Office Internal Audit Division performed a contract compliance and value assessment audit of the fire services agreement between the County of San Mateo (County) and the California Department of Forestry and Fire Protection (CAL FIRE). Overall, CAL FIRE is complying with the contract requirements and the County appears to be receiving reasonable value from the services provided. No findings were noted per this review.

INTRODUCTION

The State of California, through CAL FIRE, is a full-service fire protection and emergency incident management agency that provides comprehensive fire protection and other emergency incident response. CAL FIRE designs regional fire protection solutions for urban and rural communities by efficiently utilizing all emergency protection resources. Regional solutions provide the most effective method of protecting citizens and property.

San Mateo County began contracting with CAL FIRE in 1962 to provide fire protection services in County Service Area #1 and other unincorporated areas of the County not protected by cities or other fire districts. In addition to fire and emergency medical services, CAL FIRE provides fire protection planning for new construction, fire prevention activities and life safety inspections in the County areas. CAL FIRE also oversees the operations of three volunteer fire companies located in La Honda, Kings Mountain, and Loma Mar. CAL FIRE is responsible for emergency response and incident mitigation for fires, medical emergencies, hazardous materials, urban search, rescue, and other emergencies.

BACKGROUND

In 2019, the County Board of Supervisors (Board) approved a 6-year Cooperative Fire Protection Agreement with CAL FIRE for fire protection and emergency services from July 1, 2019, to June 30, 2025, for \$99,200,464, averaging \$16.5 million per year. Coverage includes seven Fire Stations and Engine Crews, and 80 personnel. Those fire stations are in Belmont, Cordilleras, El Granada, Half Moon Bay, Pescadero, Point Montara and Skylonda areas. The Belmont, Cordilleras, Pescadero and Skylonda stations are owned by San Mateo County and staffed by CAL FIRE. The El Granada, Half Moon Bay, and Point Montara fire stations are owned by Coastside Fire District.

See Appendix 1 – Map of State (CAL FIRE) Responsibility Area for the geographical area within the County protected by CAL FIRE. This map, recently updated on February 24, 2025 by CAL FIRE, shows all areas within the County that are considered “moderate”, “high” and “very high” fire hazard risk.

Our review was limited to this contract, which includes CAL FIRE personnel, rent, and other operating costs. All other County fire protection related costs, not part of this contract, including fire truck purchases, equipment, and facility maintenance costs for this period totaled \$48,635,094. This additional amount includes Measure K funds spent on fire protection services over the 6-year period. See table below for all Measure K funds spent for fire protection purposes since the inception of the half-cent Measure K sales tax. Review of such expenditures were not included in this contract compliance audit.

Measure K Initiative	Actual Costs FY13/14 to FY20/21	Actual Costs FY21/22 to FY23/24	Total Measure K Funds Spent
Pescadero Fire Station	\$ 501,732	\$ 305,146	\$ 806,878
Skylonda Fire Station	\$ 5,529,663	\$ 375,399	\$ 5,905,062
County Fire Engine Replacement Fund	\$ 8,432,530	\$ 3,062,002	\$ 11,494,532
Fire Mitigation (CMOFM)	\$ -	\$ 172,500	\$ 172,500
Fire Road Improvement	\$ 136,751	\$ 140,328	\$ 277,079
Fire Mitigation (PRKCI)	\$ -	\$ 1,993,466	\$ 1,993,466
TOTAL	\$ 14,600,676	\$ 6,048,841	\$ 20,649,517

Source: Report on Measure K Sales and Use Tax Revenues FY2023/2024

Fire protection services provided by CAL FIRE per this contract include:

- Emergency Fire Protection, Medical and Rescue Response
- Basic Life Support Services
- Advanced Life Support Services
- Fire Code Inspection, Prevention and Enforcement Services
- Land Use/Pre- Fire Planning Services

Due to the specialized and vital nature of these services and the need for continuity of services and long-range planning, the Board accepted a recommendation to approve the six-year contract term. CAL FIRE is the only local provider of the fire protection services that are needed by the County. The County Executive's Office (CEO) is responsible for administering this contract.

OBJECTIVES

The objectives of this review were to assess whether the contract between the County and CAL FIRE was managed effectively, services were provided in accordance with the terms of the contract, and resources expended, and value received are making a positive impact to the County's residents. This review included:

1. Determining whether CAL FIRE complied with the terms of the contract; and
2. Assessing performance and the value received by the County from the services provided.

SCOPE AND METHODOLOGY

The scope of the review included the following:

- Review compliance by the vendor with the terms of the contract.
- Review the accuracy and appropriateness of costs allocated to the County by the vendor.
- Review of invoices and procedures related to validating completion of work and reviewing and approving such invoices.
- Assessment of costs and benefits received and analysis of performance measures.

The following procedures were performed:

- Reviewed relevant County and department policies and procedures.
- Interviewed CEO and CAL FIRE personnel to obtain an understanding of contracts, vendor management, and accounts payable procedures.
- Reviewed applicable reports, performance measure metrics, policies, and procedures.
- Reviewed payments for services to CAL FIRE and supporting invoices and documentation.
- Assessed value of services provided to County, including their quantity, quality, and cost-effectiveness.
- Reviewed process documentation and workflows.

The audit covered transactions and other activities between July 1, 2021, through June 30, 2024. The three-year scope period accounted for \$51,376,949 of the total contract amount. The audit was performed in accordance with the *International Professional Practices Framework* established by the Institute of Internal Auditors.

VALUE ASSESSMENT

A value assessment was performed based on an evaluation as to the reasonableness of costs and services provided. These high-level analytical procedures were used to determine if the contract costs appear reasonable and fall within reasonable norms or other comparative data.

CAL FIRE provides services within the County at the same rate as all other State Fire contracts throughout the state, without the addition of locality-based or other cost of living adjustments. This benefits the County, as the costs of living in the County are greater than in other areas within the state. Internal Audit compared the cost of living in San Mateo County against other counties/areas. This included reviewing data from a 2023 study performed by the National Low Income Housing Coalition, confirming that San Mateo County, and the Bay Area in general, is a particularly expensive place to live in

compared to the rest of the state. The state-wide flat pay rate charged by CAL FIRE is less expensive than if the County were to hire personnel to provide the required services at locally competitive wages.

Cost of Living		
County	Average Renter Wage	Affordability Wage*
San Mateo	\$ 152,860	\$ 127,520
San Francisco	\$ 176,480	\$ 127,520
Santa Clara	\$ 157,900	\$ 117,640
Santa Cruz	\$ 45,000	\$ 131,720
Alameda	\$ 69,100	\$ 96,200
Sacramento	\$ 46,980	\$ 70,240

*AFFORDABILITY in this report is consistent with the federal standard that no more than 30% of a household's gross income should be spent on rent and utilities. Households paying over 30% of their income are considered housing cost-burdened.

During the non-fire season, CAL FIRE staff provide various services outside the scope of the contract. These services include vegetation reduction projects, assisting with emergency incidents, and holding public services events.

Some of these services include:

Vegetation Projects: CAL FIRE's Vegetation Treatment Projects list includes acreage throughout the County of projects to manage vegetation for fire protection purposes. From July 1, 2021 to June 30, 2024, CAL FIRE treated 1,621.3 acres in San Mateo County.

Emergency Incidents: CAL FIRE provided a list of incidents listing call type, location, and response time. From July 1, 2021 to June 30, 2024, CAL FIRE assisted in 969 emergency incidents in San Mateo County.

Public Safety Events: CAL FIRE regularly attends public safety events including San Mateo Disaster Day, Coastside Disaster Day, Fire Station Open Houses, and South Skyline Fire Safety Day.

Defensible Space Inspections: CAL FIRE conducted 1,883 defensible space inspections in 2021, 822 in 2022, and 1,125 in 2023.

County management regularly meets with CAL FIRE to discuss services and has noted no significant performance or service issues.

Management has discussed bringing fire protection services in-house to have them provided by County personnel. Discussions have not proceeded past the initial planning phase, as the County has been advised by consultants in initial discussions that establishing an in-house County fire service would be legally and administratively

complicated due to the assumption of human resources and pension responsibilities and, due to area costs and other factors, would greatly exceed the cost of services provided by CAL FIRE.

Value Assessment Conclusion

Overall, services provided by CAL FIRE provide reasonable value to the County and its residents. The cost analysis indicates that CAL FIRE's charges to the County are reasonable given the County's high cost of living and the additional non-contracted services received by the County during the non-fire season.

In addition, Internal Audit reached out to County management about CAL FIRE's services during the CZU Lightning Complex wildfires, which, in total, destroyed 1,490 buildings. The fire started in August 2020 and was mostly contained by December 2020. It consisted of fires in both San Mateo and Santa Cruz Counties, burning 86,509 acres. Per CAL FIRE, the fire destroyed 59 structures and burned 22,889 acres within San Mateo County. No lives were lost in San Mateo County during this fire. The firefighting effort was primarily administered and conducted by CAL FIRE, and County management indicated that CAL FIRE's performance met expectations. CAL FIRE kept County management abreast of all developments, managed the overall incident, had and utilized the necessary personnel, equipment, helicopter drops, and provided timely public information.

FINDINGS AND RECOMMENDATIONS

No findings were noted during this review.

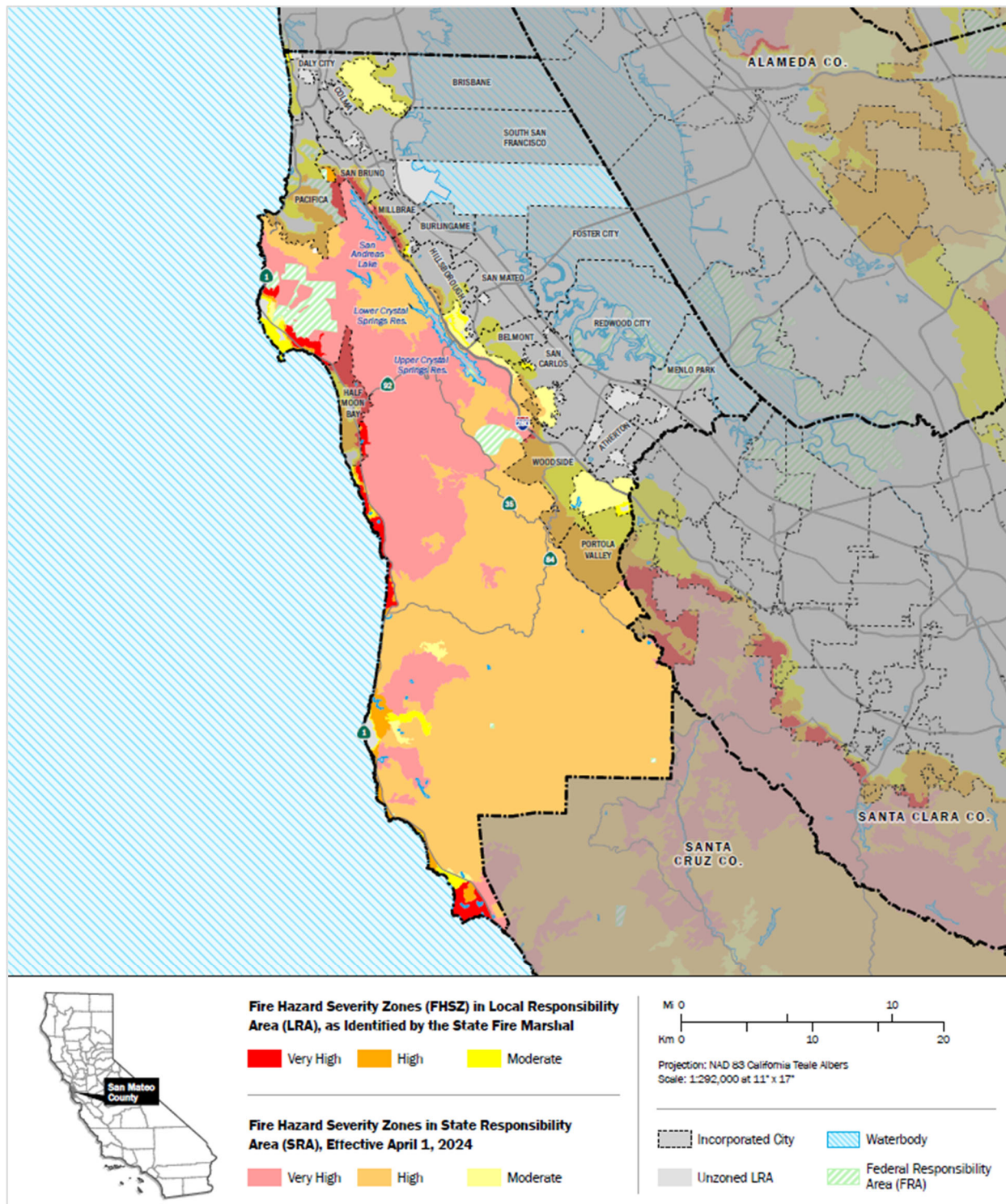
CONCLUSION

We wish to express our appreciation to CAL FIRE and CEO personnel for their participation and cooperation. Based on this review, CAL FIRE complied with the contract's terms/requirements, and the County is receiving reasonable value based on the amount paid and the services rendered.

This audit report is intended to enhance, not substitute, the Department's responsibilities of internal control activities and self-assessment of risk. This report is intended solely for the information and use by the County. It is not intended for, nor should it be used by, anyone other than this specified party. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 1 – Map of State (CAL FIRE) Responsibility Area

The map below shows the areas, within San Mateo County, that CAL FIRE is responsible for fire protection and emergency services.



Source: <https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones>. Updated February 24, 2025