



CITY COUNCIL AGENDA REPORT

MEETING DATE: July 1, 2008

ITEM NUMBER:

SUBJECT: RFP #1117: Emergency Ambulance & Patient Billing Services

DATE: June 16, 2008

FROM: Fire Department

PRESENTATION BY: Mike Morgan, Fire Chief

FOR FURTHER INFORMATION CONTACT: Larry Grihalva, EMS Coordinator, Ext. 5155

RECOMMENDATION:

The Fire Department respectfully requests that the City Council authorize the Fire Department to initiate contract negotiations with CARE Ambulance Company, Inc. (1517 W. Braden Court, Orange, California, 92868), for the provision of emergency ambulance and patient billing services.

BACKGROUND:

Pursuant to California Health & Safety Code §1797.201, the City of Costa Mesa has authority over the administration of all prehospital emergency medical services (EMS) within its jurisdiction. A critical function of the EMS system is the emergency transportation of the ill and injured, for which the City utilizes a private model (i.e., private for-profit ambulance business), as opposed to a public model (i.e., Fire Department owned and operated ambulances).

In 2001, the City contracted with Schaefer Ambulance Service for the provision of emergency ambulance and patient billing services for a period of three years (July 1, 2001 – June 30, 2004). Upon expiration of the original contract period, the contract was renewed for a second 3-year term, after which Schaefer has continued providing services pending completion of the current RFP process. The Costa Mesa EMS Coordinator worked in partnership with the Orange County EMS Agency and the Purchasing Division to write and issue RFP #1117 on November 20, 2007.

As required by the Costa Mesa Municipal Code, the “Request for Proposals” (RFP) was solicited from qualified providers whose names were on the bidders list and from other providers found in the local area. To ensure adequate notice and competition, the RFP was posted on the public bulletin board in City Hall, and published in both the Daily Pilot and the Orange County Register. A downloadable version of the RFP was also made available on the City’s website. In addition, all ambulance companies listed on the Orange County EMS Agency website as being licensed in the County of Orange were sent an e-mail inviting them to participate in the RFP process.

A mandatory pre-proposal submission meeting was held on December 6, 2007. Nine prospective proposers were in attendance. The EMS Coordinator conducted the meeting with oversight provided by the Orange County EMS Agency and the Purchasing Division. The purpose of the pre-proposal submission meeting was to afford interested ambulance companies the opportunity for clarification and explanation of RFP requirements. The answers to the questions brought up during the meeting were addressed, and clarifying/explanatory information was provided. An addendum was subsequently issued (dated 1/24/08) and the submission deadline was extended from February 29 to March 14, 2008, in order to accommodate the proposers' need for more preparation time due to the information discussed at the meeting.

A second pre-proposal submission meeting was held on January 30, 2008, to answer the outstanding questions from the first meeting. Attendance at this meeting was not mandatory. Eight prospective proposers were in attendance. Following this meeting, a second addendum was issued (dated 2/11/08) that extended the submission deadline to March 19, 2008, at 2:00 p.m. By this deadline, the City had received a total of three proposals. The three companies that submitted proposals are: CARE Ambulance, Gerber Ambulance, and Pacific Ambulance. The incumbent company, Schaefer Ambulance, did not submit a proposal.

ANALYSIS:

For checks and balances, in order to ensure a fair, efficient, and objective process compliant with state and county protocols, the evaluation phase was conducted by the Purchasing Supervisor with guidance from an oversight group consisting of: Deputy City Attorney, Orange County EMS Agency Basic Life Support Program Coordinator, and the Costa Mesa EMS Coordinator.

A five-person evaluation panel was assembled including staff from various City departments to provide a fair and objective process. All five panelists were instructed to conduct their evaluations independently of the other panelists, and to forward any questions to the oversight group, which communicated responses to the entire panel.

The panel included representation from the City Manager's office, the Finance Department, the Telecommunications Department, and the Fire Department. In addition, the panel was provided expert analyses by the Facilities & Fleet Supervisor and Assistant Finance Director regarding vehicle maintenance and financial aspects, respectively.

The categories assessed during the evaluation phase were: 1) Training / Continuing Education; 2) Care / Transport System Design; 3) Operational Systems; 4) Experience; 5) Vehicle Maintenance & Records; 6) Patient Billing Systems; and 7) Financial Analysis. The evaluation phase began on April 2, 2008, with an initial panel meeting for distribution of proposals and evaluation forms, and for an explanation of evaluation phase rules and expectations. Each panelist was provided with three Proposal Evaluation Forms to be used as a grading tool for assessing each company.

On April 28, 2008, the evaluation panel heard oral presentations from the three companies that submitted proposals. All evaluation panel members conducted site visits, as a group, at each ambulance company during the following two weeks. On May 20th, 2008, the panel had a final meeting to clarify any additional questions. All of the panelist evaluation forms were submitted to the Purchasing Supervisor by June 2, 2008. On that same date, the Purchasing Supervisor and EMS Coordinator tallied the points awarded by the five panelists, then ranked the three ambulance companies according to their total points.

Of the three proposals received, CARE Ambulance ranked the highest overall in the categories and criteria examined. The following summary identifies the three proposers, and shows how each proposer ranked overall:

	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5
CARE	1	2	1	1	1
Pacific	2	1	2	2	2
Gerber	3	3	3	3	3

The City was very fortunate to have three competent and respected ambulance companies participate in the RFP process. However, based on the scoring and ranking provided by the evaluators, the Fire Department recommends that the City enter into contract negotiations with CARE Ambulance Company.

ALTERNATIVES CONSIDERED:

Qualified staff members from multiple departments have invested numerous hours independently evaluating and determining the best solution for emergency ambulance and billing services for the City, assuming that the City continues to use the private ambulance model. The process was fair and thorough, reviewing the many aspects of the services to be provided. Due to the time and effort put into the selection process and the clear consistency in the evaluation results, no other alternatives were considered.

FISCAL REVIEW:

No fiscal review is necessary for this item. The City provides citizens emergency ambulance services via a private for-profit ambulance company business, which also handles all EMS billing services for the City. Other than billing fees --which may not exceed 7% of the total amount billed-- there is no direct cost to the City for selecting or using a private ambulance company to provide emergency ambulance and patient billing services.

LEGAL REVIEW:

No legal review is necessary for this item. The City Attorney's Office provided oversight during the entire evaluation phase.

CONCLUSION:

After thorough review and comparison of the three ambulance companies by the evaluation panel, it is the recommendation of the Fire Department that the City Council authorize the Fire Department to initiate contract negotiations with CARE Ambulance Company. After contract negotiations are completed, the Fire Department will request the award of the RFP contract and execution of a Professional Services Agreement.

LARRY GRIHALVA
EMS Coordinator

MIKE MORGAN
Fire Chief

MARC R. PUCKETT
Director of Finance

DEBBIE DOBROTT
Purchasing Supervisor

DISTRIBUTION: City Manager
Deputy City Clerk
Director of Finance
Purchasing Supervisor
Staff