



**CITY OF COSTA MESA
DEPARTMENT OF FINANCE
INTEROFFICE MEMORANDUM**

TO: THOMAS R. HATCH, CHIEF EXECUTIVE OFFICER

FROM: BOBBY YOUNG, FINANCE & I.T. DIRECTOR

DATE: NOVEMBER 4, 2011

SUBJECT: FIRE SERVICES CONTRACTING COMMITTEE

Council Policy 100-6 provides guidelines for evaluating the potential contracting of on-going City services on a long-term or permanent basis. As set forth in the policy, a committee should be formed and comprised of three segments: Project Responsibility, Department Representative and Employee Representative. The committee is tasked with:

- hearing a presentation from department representatives and asking questions about the specific proposal under consideration,
- working together to outline how to evaluate a comparable City effort to provide the same or similar service,
- having the project facilitator draft analysis addressing the available alternatives for service delivery as outlined by the committee,
- determining if outside comparative data would be useful.

On September 30, 2011 the Fire Services Contracting Committee met to discuss the duties and responsibilities of the Fire Service function and determine “the available alternatives for service delivery”. After hearing a presentation about the draft RFP by department staff and asking questions, the Committee determined alternatives for the Fire Service function.

On October 13, 2011 the Committee met to further discuss and clarify the draft RFP and alternatives/options.

On October 24, 2011 the Committee met to finalize and approve the draft RFP and alternatives/options.

The following are alternatives for the Fire Services function with analysis included.

1. Retain existing service level at existing cost.

Currently there are six fire stations with minimum manning of 28 per shift that provide Fire Services to the community. The minimum staffing of 28 per shift, include 7 Captains, 7 Engineers and 14 Firefighters/Paramedics manning 7 apparatus. The FY 11-12 budget for the Fire Department is \$19.8 million, which includes 88 budgeted sworn full time positions, 5 budgeted non-sworn full time positions, estimated overtime for shift coverage, estimated pension contributions to PERS and replacement of small equipment and supplies as needed.

2. Contract with Orange County Fire Authority (OCFA).

The City could contact with another public entity like OCFA. Both the City and the Costa Mesa Firefighters Association (CMFA) requested a proposal from OCFA for the estimated cost to provide Fire Service to the community. Earlier this year, the City received that proposal and also had a public meeting presentation regarding some of the services and qualifications of OCFA to provide the service. The City could negotiate with OCFA based on the attributes of that proposal.

3. Contract with another public entity.

The City could look to form a Joint Powers Authority (JPA) with another City(s), different from OCFA, to provide Fire Services to the community. Unfortunately there are currently no examples of agencies forming a JPA to provide all Fire Services, however the cities of Fullerton and Brea have recently begun sharing Fire Management personnel to potentially generate a cost savings. The City Council could direct staff to contact other cities to determine if there is an interest in sharing personnel/services.

4. Contract with a private entity.

Unfortunately there are currently no examples of agencies utilizing private entities to perform the Fire Services function. However, the committee recognizes that it may be a possibility. The experience of such an agency should be strongly considered to perform the first responder duties of the Fire Service.

As directed under Council Policy 100-6, the above is an analysis addressing the available alternatives for service delivery as outlined by the Fire Services Contracting Committee. Attached is a drafted Request For Proposal (RFP) prepared by Fire Department staff, reviewed and approved by the Committee, should you desire to present it to City Council.

The Fire Services Contract Committee is available should you have any questions or request more information.

Bobby Young
Finance and I.T. Director