



CITY COUNCIL AGENDA REPORT

MEETING DATE: **AUGUST 7, 2018**

ITEM NUMBER: **OB-1**

SUBJECT: AMBULANCE TRANSPORTATION SERVICE CONTRACT, RFP 18-08

DATE: JULY 22, 2018

FROM: FIRE & RESCUE DEPARTMENT

**PRESENTATION BY: DANIEL A. STEFANO, FIRE CHIEF
JASON PYLE, DIVISION CHIEF**

**FOR FURTHER INFORMATION CONTACT: JASON PYLE, DIVISION CHIEF
(714) 754-5106**

RECOMMENDED ACTIONS:

Staff recommends that the City Council:

1. Approve the Professional Services Agreement for Ambulance Operator Services between Care Ambulance Service, Inc. and the City of Costa Mesa (Attachment 1).
2. Authorize the City Manager to execute the agreement and to approve any changes and future amendments to the agreement.

BACKGROUND:

On April 18, 2017, the City Council voted 5-0 to approve New Business Item #2 Ambulance Transportation Service, the Fire Chief and City Manager recommendation for the updated public/private partnership ambulance transportation model (i.e., updated option model #3). Specifically, a partnership with a private contractor to provide ambulance personnel staffing for ambulance transportation services (Attachment 5).

Immediately following City Council's formal approval, City staff began developing the RFP process, inclusive of the following three City Council actions:

1. Reviewed and approved the recommended and updated option of the public/private partnership ambulance transportation model (e.g., 2017 consultant report supplement - option #3).
2. Approved and authorized the City Manager to allocate an amount not to exceed \$100,000 for the comprehensive administration and facilitation of the Request for Proposals (RFP) processes for both ambulance and billing services, respectively.
3. Approved and authorized the City to annually utilize the billing rate structure that is consistent with and replicates the most current maximum emergency ground ambulance rates that are identified through Orange County Health Care Agency

(OCHCA) EMS Policy and Procedures (e.g., #700.00 Section; 714.00 - #715.00) and approved through formal resolution by the Orange County Board of Supervisors.

On January 9, 2018, the City issued a Request for Proposal (RFP), RFP 18-08, "Ambulance Operator Services" (Attachment 2). The submitted proposals were received and reviewed by a committee of subject matter experts in the areas of: Fire/Emergency Services, Emergency Transportation, Finance, and a member/representative from the City's Finance and Pension Advisory Committee.

Due to the total anticipated cost of the contract and the nature of the services to be provided by Care Ambulance Service, the contract negotiation process is subject to the requirements of Senate Bill 331 (SB 331).

As such, and in concert with the requirements set forth in SB 331, this Professional Services Agreement and the Auditor's Review were first presented to the City Council for review and comments at the July 17, 2018 City Council Meeting.

ANALYSIS:

On January 1, 2016, SB 331, also known as the Civic Reporting Openness in Negotiations Efficiency Act, went into effect. SB 331 sets forth procedures to be applied in certain contract negotiations for cities, counties, and special districts with operative COIN ordinances. Because Costa Mesa has an operative COIN ordinance, it is subject to SB 331.

SB 331 procedures apply to goods and services contracts valued at \$250,000 or more in specified contract areas. Due to the value of this contract and the nature of services to be provided, the following SB 331 procedures have been followed during the negotiation of this contract:

1. The City designated Matrix Consulting Group, LTD ("Matrix") as the unbiased independent auditor to review the cost of the proposed contract. (Pub. Contract Code § 22178(a).)
2. Matrix prepared a report on the cost of the proposed contract, which includes its recommendation on the viability of the contract. The City made the report available to the public at least 30 days prior to presentation of this item to City Council at this meeting by posting it on the City's website on June 5, 2018. The contract will be presented to City Council for approval or disapproval after the report has been publicly available for at least 60 days. (Pub. Contract Code § 22178(b).)
3. The City disclosed all offers and counteroffers, if any, to the public on the City's website. (Pub. Contract Code § 22178(c).)
4. The City posted information relating to any negotiation sessions regarding the contract on the City's website. (Pub. Contract Code § 22178(d).)
5. Staff members advised City Council of all offers, counteroffers, and statements of position, if any, discussed by Care Ambulance Service Inc. and the City during negotiations. (Pub. Contract Code § 22178(e).)
6. The City disclosed to the public on the City's website all oral, written, electronic, and other communications between City Council Members or staff members and Care Ambulance Service, Inc. (Pub. Contract Code § 22178(f).)
7. Before the City Council makes a determination regarding approval of the contract, this contract will be presented at two City Council meetings wherein the public will have an opportunity to review and comment on the matter. (Pub. Contract Code §

22178(g).) The meeting on July 17, 2018 was the first meeting at which the public and the City Council had an opportunity to review and comment on the matter.

The unbiased independent auditor, Matrix Consulting Group, found that the proposed contract is a viable contract for the City of Costa Mesa. The independent auditor's full analysis is contained in the SB-331 Audit Review – RFP No. 18-08 (Attachment 4).

SB 331 procedures have been followed in the negotiation of this contract and its presentation to City Council. Staff is now requesting that the City Council approve the Professional Services Agreement with Care Ambulance Service, Inc. and authorize the City Manager to execute the agreement.

ALTERNATIVES CONSIDERED:

No other alternatives have been considered.

FISCAL REVIEW:

At the April 18, 2017 City Council meeting, the City's consultant, AP Triton, presented the Ambulance Service Feasibility Study (Attachment 5) and determined that the projected cost recovery revenue for ambulance transport services is estimated at \$3.8 million annually for the City. The consultant's cost recovery projections are reasonable and in line with similar municipal agencies that currently provide some or all of the ambulance transportation services within their jurisdiction.

The anticipated cost for the professional services agreement between Care Ambulance Service and the City for ambulance transport services is not-to-exceed \$1.85 million annually.

LEGAL REVIEW:

The City Attorney's Office has reviewed the documents and approved them as to form. SB 331 applies because the proposed professional services agreement has a value of at least \$250,000 and the services to be provided fall within the categories outlined by SB 331. (Public Contract Code section 22178(a).)

CONCLUSION:

Due to the value of the proposed professional services agreement and the nature of services to be provided, SB 331 procedures are applicable to the proposed contract. In accordance with SB 331, the unbiased independent auditor, Matrix Consulting Group, prepared a report (Attachment 4) on the cost of the proposed contract and determined that Care Ambulance Service, Inc.'s contract proposal is reasonable and in alignment with the requested services.

Staff recommends that the City Council approve the Professional Services Agreement for Ambulance Operator Services between Care Ambulance Service, Inc. and the City of Costa Mesa (Attachment 1), with a not-to-exceed contract amount of \$1.85 million annually, and authorize the City Manager to execute the agreement. The auditor's report has been publicly available for at least 60 days, as required by SB 331.

DANIEL A. STEFANO
Fire Chief

THOMAS R. HATCH
City Manager

KELLY TELFORD
Finance Director

THOMAS DUARTE
City Attorney

ATTACHMENTS:

- 1) [Professional Services Agreement with Care Ambulance Service, Inc.](#)
- 2) [City of Costa Mesa RFP No. 18-08 Ambulance Operator Staffing Services](#)
- 3) [Care Ambulance Service Inc. Proposal to RFP no. 18-08](#)
- 4) [SB-331 Audit Review – RFP No. 18-08 Ambulance Operator Staffing Services](#)
- 5) [Copy of City Council Agenda Report \(April 18, 2017 Meeting Date\), New Business Item #2 - Ambulance Transportation for the City of Costa Mesa](#)