



**CITY OF RANCHO SANTA MARGARITA
CITY COUNCIL
STAFF REPORT**

DATE: June 10, 2009
TO: City Council of the City of Rancho Santa Margarita
FROM: Steven E. Hayman, City Manager *SEH*
BY: Christine Quevedo, Senior Management Analyst *CQ*
SUBJECT: Contract Award for Ambulance Services

Recommendation

It is recommended that the City Council:

- 1) Accept the proposal from Doctor's Ambulance Service to provide emergency ambulance transportation services to the City of Rancho Santa Margarita.
- 2) Approve the Draft Agreement for Provision of Fire/EMS Emergency Ambulance Transportation and Related Services with Exclusive Operating Area.
- 3) Authorize the Mayor to execute the Final Agreement (to be completed by Orange County Fire Authority after City Council approval), including any non-substantive changes.

Background

The Orange County Fire Authority (OCFA) has completed, on behalf of the Orange County Emergency Medical Services Agency (OCEMSA), the legally required competitive process for the award of an exclusive operating area ambulance service agreement within the City of Rancho Santa Margarita including the Unincorporated Trabuco Canyon, O'Neill Park, Las Flores, and Coto de Caza area(s) (referred to as "EOA No. 29").

The City of Rancho Santa Margarita has elected to retain final selection and contracting authority for the award of the exclusive operating area contract within EOA No. 29 to the OCFA Board of Directors. OCFA has forwarded the RFP Grading Panel's award recommendation to the City for final review and consideration prior to taking formal action.

Competitive Process for Exclusive Operating Areas for Ambulance Service

Pursuant to the Emergency Medical Services (EMS) Act, only the County may create exclusive operating areas for the provision of ambulance services. However, if it chooses to establish exclusive operating areas, the County must conduct a competitive

process for the selection and award of exclusive operating area ambulance contracts in order to avoid anti-trust liability. The County has delegated its responsibility for conducting the competitive process to the Orange County Fire Authority (OCFA) for all OCFA jurisdictional areas except the cities of Buena Park, San Clemente, and Westminster.

The competitive selection process utilized by OCFA, including the Request for Proposal (RFP) and the model EOA agreement attached hereto, as well as the grading criteria, were submitted to Orange County EMSA (OC EMSA) and the State Emergency Medical Services Authority and were approved by both agencies on August 6, 2008.

Contracting Authority

Under the current County EMS system, OCFA-member cities may decide whether they want to retain final selection and contracting authority for themselves, or whether they want to delegate such authority to the OCFA Board of Directors. Currently, approximately half of the OCFA cities have elected to retain final selection and contracting authority, while the other half have delegated such responsibility to OCFA.

The City of Rancho Santa Margarita has elected to retain final provider selection and contracting authority.

Existing Ambulance Service Contract

The current exclusive operating area contract for EOA No. 29 with Medix Ambulance Service is scheduled to automatically terminate on August 30, 2009 at 11:59 p.m.

The new exclusive operating area contract for EOA No. 29 is effective August 31, 2009 at 12:00 a.m. and will terminate on August 31, 2014 at 11:59 p.m., with no extensions, unless there are unavoidable or unforeseeable circumstances beyond the control of OCFA that would preclude a new RFP process and contract award. In such circumstances, the contract may be extended up to one additional year.

Discussion/Analysis

Summary of the RFP Process:

A. Phase 1 – Provider Prequalification

On May 27, 2008, OCFA issued Phase 1 of the RFP to interested private ambulance service providers ("providers"). The purpose of Phase 1 was to establish the minimum performance standards, prequalification criteria, and requirements a provider had to meet in order to participate in Phase 2 of the RFP. Ambulance service providers not satisfying all of the minimum prequalification criteria and requirements were not eligible to continue in the RFP and selection process.

Nine ambulance providers submitted a Phase 1 Prequalification Application. The applications were reviewed by two independent outside EMS consultants. (Darlene

Gidley BSN, MPA, retired Manager of Orange County EMS, and JR Henry, an out-of-state experienced EMS Consultant.)

Seven of the nine providers that participated in Phase 1 met the minimum qualifications to participate in Phase 2 of the RFP.

B. Phase 2—Proposal Submission, Grading, Recommendation and Selection

On August 22, 2008, OCFA invited the seven providers who met the minimum requirements of Phase 1 to participate in Phase 2, the "Proposal, Grading, Recommendation and Selection" of the RFP process. Of the seven pre-qualified providers, five providers (American Medical Response, AmeriCare, Care, Doctors, and Emergency Ambulance Services) submitted bid proposals on or before the submission deadline of December 11, 2008. One of these proposals (American Medical Response) was determined to be non-responsive and disqualified by OCFA because it proposed ambulance service rates that exceeded the maximum allowable charges in Orange County.

Consequently, four ambulance providers competed for the 10 exclusive operating areas offered in this RFP. The proposals from AmeriCare, Care, Emergency, and Doctors ambulance services were referred to the OCFA RFP Grading Panel for evaluation and ranking.

C. OCFA RFP Grading Panel

The RFP Grading Panel consisted of both "Primary Evaluators" and "EOA Evaluators". The Primary Evaluators included individuals with extensive EMS experience who were selected by OCFA to evaluate and rank each bid proposal received according to established criteria. They reviewed and evaluated all aspects of each proposal. To avoid any bias or conflict of interest, OCFA staff did not participate as evaluators.

The Primary Evaluators were: (1) Cathy Ord, RN, EMS Coordinator for Newport Beach Fire Department; (2) Michael Antonucci, Fire Chief of the Upland Fire Department; (3) Randy Bradley, Deputy Chief of the Alameda County Fire Department, (4) Ray Ramirez, Deputy Chief of the Ontario Fire Department, and (5) Luanne Underwood, RN from the Los Angeles County EMS Agency.

There were ten EOA Evaluators, one representative selected by each of the ten cities participating in the RFP. The EOA Evaluator for the City of Rancho Santa Margarita was Christine Quevedo, Senior Management Analyst.

The EOA Evaluators were asked to review and rank only the proposals submitted for their respective EOAs and only those items in the proposals that were EOA specific. However, the EOA Evaluators were invited to be present for the full discussion of each of the proposals.

D. Review and Evaluation Process

The focus of the evaluation was to select the bidder that provided the most thorough and competitive bid proposal and program design and would meet or exceed the performance standards set forth in the RFP.

Bidders were asked to address twenty-five (25) separate items and to make an oral presentation. Of the twenty-five (25) items identified in the RFP, the Grading Panel evaluated and assigned a ranking to seventeen (17) of the requested items. The remaining eight (8) items were mandatory submission items that were not graded or ranked, but rather checked for inclusion by OCFA staff.

Each of the seventeen items was assigned a "weighting factor" based on its relative importance. The Grading Panel was not advised of the weighting assigned to any given item in order to ensure an objective and unbiased evaluation of all items.

Evaluators independently ranked each item from most to least responsive by comparing and contrasting the proposals. OCFA staff averaged the Evaluators' rankings for each item and multiplied it by the assigned weighting factor to arrive at a final score for that item.

The best (i.e., lowest) possible score that could be achieved for Part 1 was "50" and the best possible score for Part 2 was "50", with a best overall score (Part 1 + Part 2) of "100". Since the proposals were "ranked"—("1" being best), the proposal with the lowest overall score (the score closest to 100) was considered to be the best proposal for an EOA.

Each of the members of the RFP Grading Panel received and reviewed copies of the proposals and assigned a preliminary ranking to each of the items prior to meeting as a group. On January 13 and 14, 2009, the Grading Panel met to discuss the proposals for each EOA. On January 20, 2009, each bidder made an oral presentation to the panel about their proposal, answering and clarifying questions posed by the Grading Panel. Upon completion of the oral presentations, members of the Grading Panel were asked to submit their final ranking for each item. OCFA computed and certified the final scores.

Bid Proposals Received for Rancho Santa Margarita (EOA No. 29)

OCFA received three bid proposals for the City of Rancho Santa Margarita, EOA 29, from the following ambulance service providers, all of which are well qualified to provide the requested services:

- AmeriCare Ambulance Service;
- Doctor's Ambulance Service; and
- Emergency Ambulance Service

OCFA RFP Grading Panel Results:

A. Bidder Ratings and Recommendation

The OCFA RFP Grading Panel ranked the bidders for EOA No. 29 (Rancho Santa Margarita) as follows:

Provider	Final Score	Rank of Proposal
Doctor's Ambulance Service	174.33	1 (Panel Recommended)
AmeriCare Ambulance Service	264.88	2
Emergency Ambulance Service	273.18	3

Included as an Attachment to this report is a composite chart itemizing the rankings for each item evaluated by the Grading Panel.

Additional Information:

Listed below are some comparisons of the proposals submitted by AmeriCare, Emergency, and Doctors. The list is not intended to be all-inclusive.

Key Areas	AmeriCare	Doctor's	Emergency
Corporate Headquarters	AmeriCare's headquarters and dispatch center are in Carson, CA.	Doctor's corporate headquarters and dispatch center is in Laguna Hills, CA.	Emergency's headquarters and dispatch center is in Brea, CA.
Company History and 9-1-1 Experience	<p>AmeriCare Ambulance Service was founded in 1997. It responds to approximately 1,100 9-1-1 calls annually.</p> <p>AmeriCare currently provides service to Villa Park (EOA 24) and provides non-contracted back-up services to the Downey and Compton Fire Departments. They are under contract with San Diego County to provide service to Camp Pendleton and the I-5 Corridor.</p>	<p>Doctor's Ambulance Service has been providing emergency ambulance services to the residents and visitors of Orange County for over 34 years. It responds to over 74,000 9-1-1 calls annually.</p> <p>Doctor's currently provides service to Irvine, Laguna Woods, Dana Point, Laguna Hills, Tustin, Aliso Viejo and Laguna Beach.</p>	<p>Emergency Ambulance Service has been providing emergency ambulance services to Orange County for over 30 years. It responds to approximately 7,200 9-1-1 calls annually.</p> <p>Emergency currently provides service to the City of Brea, La Habra, Yorba Linda, and Placentia.</p>

Key Areas	AmeriCare	Doctor's	Emergency
<p>CAAS Certification</p> <p>(The intent of the CAAS Standards is to define a "gold standard" for the medical transportation industry of a higher caliber than is typically required for state or local licensing. There are approximately 120 ambulance services throughout the United States that are CAAS accredited.)</p>	<p>AmeriCare <u>applied</u> for accreditation by the Commission on Accreditation of Ambulance Services (CAAS) in 2008. Accreditation had not been received by the submission date for the proposals. OCFA has not been advised of subsequent accreditation status.</p>	<p>Doctor's has been accredited by the Commission on Accreditation of Ambulance Services (CAAS) since 2005.</p>	<p>Emergency has been accredited by the Commission on Accreditation of Ambulance Services (CAAS) since 2003.</p>
<p>Dedicated Ambulance Units and Back-Up Ambulances</p>	<p>AmeriCare is proposing two dedicated 24/hour/day staffed to be housed in the vicinity of Avenida Empressa and Santa Margarita Parkway.</p> <p>AmeriCare maintains a response-ready fleet of 61 emergency vehicles.</p>	<p>Doctor's is proposing one dedicated 24/hour/day staffed ambulance to be housed within the heart of Rancho Santa Margarita, close to the intersection of Avenida Empressa and Aventura Esperanza.</p> <p>Doctor's maintains a fleet of 21 emergency ambulances with an additional five ambulances on order.</p>	<p>Emergency is proposing one dedicated and one non-dedicated ambulance stationed at the same facility or at another facility within the EOA. (No specific address or area given.)</p> <p>Emergency maintains a fleet of 17 emergency vehicles and ambulances.</p>

Key Areas	AmeriCare	Doctor's	Emergency
Proposed Budget	AmeriCare submitted the following Budget: Revenue 1,033,730 ⁽¹⁾ <u>Expenses</u> 499,026 Operating Income \$534,704 ⁽²⁾⁽³⁾	Doctor's submitted the following Budget: Revenue \$831,353 <u>Expenses</u> 820,419 ⁽¹⁾ Operating Income \$10,934	Emergency submitted the following Budget: Revenue \$1,483,765 <u>Expenses</u> 1,397,084 ⁽¹⁾ Operating Income \$86,681
Proposed Ambulances Type	AmeriCare will provide two new specialized Ford E350's with "Road Rescue" Type III modular ambulances.	Doctor's will provide one new Ford E-450 Type III Modular Ambulance.	Emergency will provide two new specialized Type III Ford E350s modular ambulances.
Response Time (The minimum OCFA requirement is 90%.)	AmeriCare proposes to meet the Code 2 and Code 3 response time requirements 93% of the time and has offered self-imposed monetary penalties if they do not meet this standard.	Doctor's proposes to meet the Code 2 and Code 3 response time requirements 96% of the time.	Emergency agrees to meet the Code 2 and Code 3 response time requirements 90%.

⁽¹⁾ Incorporates OCFA Advanced Life Support (ALS) paramedic services and Basic Life Support (BLS) supply reimbursements.

⁽²⁾ The Evaluation Panel believed that the proposed budget submitted by AmeriCare was unrealistic and determined it contained mathematical errors.

⁽³⁾ The numbers were rounded to the nearest dollar by OCFA staff.

The proposals were similar in overall content, although there were notable differences in 9-1-1 experience and the fact that Emergency Ambulance Service and Doctor's Ambulance Service are CAAS accredited while AmeriCare is not. The most significant difference between the three bidders, however, was the number of dedicated 9-1-1 emergency ambulances committed to the City of Rancho Margarita.

- AmeriCare proposed **two** (2) dedicated 9-1-1 emergency ambulances, 24 hours a day, 7 days a week, with a commitment to meet the code 2 and code 3 on time response times of **93%** of the time.
- Doctor's Ambulance Service proposed **one** (1) dedicated ambulance, 24 hours a day, 7 days a week, and committed to meet the code 2 and code 3 responses on time **96%** of the time.

- Emergency Ambulance proposed **one** (1) dedicated and one non dedicated 24 hours/day ambulance and one (1) non-dedicated ambulance 24 hours/day with a commitment to meet the **90%** minimum response time.

During the evaluation process, the panel felt that AmeriCare dedicating two units 24 hours a day, 7 days a week, to Rancho Santa Margarita was not realistic based on the call volume. Additionally, the budget proposal did not appear correct. The panel determined that the proposed budget contained mathematical errors in AmeriCare's revenue calculations. Also noted was the fact that the projected expense budget for direct expenses including labor/personnel costs, payroll taxes, employee benefits, workers' compensation insurance, vehicle insurance, additional insurance, fuel expense, and maintenance was similar to what was projected for Villa Park (EOA 24) where only one dedicated ambulance was proposed.

During the oral presentations, (Day 3) AmeriCare was not able to provide the RFP evaluation panel sufficient justifications and support for the revenue and expenditure budget proposed. AmeriCare did respond that an error had occurred, but they agreed to honor their original bid submittal. After the oral presentations, the evaluation panel reaffirmed their unanimous recommendation of Doctor's Ambulance Service for the City of Rancho Santa Margarita.

Request from Medix Ambulance Service for Extension of Current Agreement

In a letter dated May 13, 2009, Medix Ambulance Service requested that the City extend its current emergency ambulance services contract for an additional five years. Subsequently, a letter was received from Rutan & Tucker, Attorneys at Law, on behalf of Medix Ambulance Service, with its opinion on the City's authority to extend the contract. The City Attorney has provided the Council, under separate cover, a confidential memorandum discussing the Council's options on this matter. Staff believes that as the current contract was awarded under the authority of OCFA and not by the City of Rancho Santa Margarita, a contract extension could only be considered by OCFA.

Alternatives

1. Select alternative vendor from the OCFA Approved List.
2. Request staff to refer letters from Medix Ambulance Service, dated May 13, 2009 and from Rutan & Tucker, dated June 1, 2009, to Orange County Fire Authority.

Fiscal Impact

There is no fiscal impact associated with the recommendation or the alternative. The agreement will be administered, on the City's behalf, by the Orange County Fire Authority.

Conclusion

The Grading Panel unanimously recommended the selection of Doctor's Ambulance Service for the City of Rancho Santa Margarita. City staff has reviewed the OCFA evaluation process and the ambulance service proposals and concur with the recommendation to select Doctor's Ambulance Service.

Attachments

A. RFP Grading Results and Criteria

- Grading Results
- Instructions for Evaluation Panel

B. Proposed Model Exclusive Operating Area Agreement for the City of Rancho Santa Margarita (EOA No. 29)

C. Correspondence regarding Medix Ambulance Service

- May 13, 2009, Letter requesting extension of current emergency ambulance services agreement.
- June 1, 2009, Letter from Rutan & Tucker on behalf of Medix Ambulance Service

**ATTACHMENTS ON FILE IN THE
CITY CLERK'S OFFICE**
