



Staff Report

File #: REPORT 17-0583, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of October 24, 2017**

**AWARD OF CONTRACT FOR
EMERGENCY AMBULANCE SERVICES
(Fire Chief Pete Bonano)**

Recommended Action:

Staff is recommending that the City Council:

1. Award a contract for Emergency Ambulance Services commencing on or before 1/1/2018 to McCormick Ambulance for a period of five years in the amount of \$380 per transport for Year 1, \$405 per transport for Year 2, \$430 per transport for Year 3, \$440 per transport for Year 4 and \$450 per transport for Year 5, with an option to renew for a second five year term.
2. Authorize the Mayor to execute the Ambulance Services Contract with McCormick Ambulance and authorize the City Clerk to attest, subject to approval by the City Attorney.

Background:

On August 22th Council authorized the Fire Department to issue a Request for Proposals (RFP) for Emergency Ambulance Services in Hermosa Beach. Subsequent to this approval, Staff sent the approved RFP to the Los Angeles and Orange Counties Ambulance Associations. Both Associations forwarded the RFP to their membership which has resulted in two companies submitting proposals.

Analysis:

On September 28th the City received sealed proposals from Ambulnz Health and McCormick Ambulance. Both proposals were sent to a RFP Grading Team that consisted of a neighboring city Fire Chief, a member of the City's Executive Management Team that is unfamiliar with ambulance services, the City's Emergency Management Coordinator and the Fire Department's Nurse Educator. Each of the graders independently awarded points based on the required elements established in the RFP. While cost is important, it was only given five points out of a possible 100.

The points from the individuals on the Grading Team were totaled and then averaged to determine the ranking for each Company. The final tally was Ambulnz Health receiving 77 points and McCormick Ambulance 95.5 points. Based on these results Staff is recommending that City Council award the contract for Emergency Ambulance Services to McCormick Ambulance. It also should be noted that McCormick's proposal was approximately 50% less than the transport cost contained in the Ambulnz proposal.

McCormick Ambulance currently deploys 56 ambulances daily with a reserve fleet of 20% of their deployed units. In addition to these transport units, their daily staffing includes four fulltime mechanics, three field supervisors, and a communications center with four dispatchers and communications supervisor. Furthermore, McCormick Ambulance maintains three disaster support units and two high-risk units capable of responding to the most infectious patients. Currently McCormick provides emergency ambulances services throughout the South Bay.

Fiscal Implications:

The RFP estimated the annual number of transports in the Hermosa Exclusive Operating Area at 440 per year. The total number of transports may actually be higher due to McCormick's ability to provide ambulances for all transports that originate in Hermosa. Currently, the City doesn't recoup transport fees for the times that Manhattan Beach Fire transports, or when the patient's medical condition does not necessitate the use of the Fire Department's Paramedic Ambulance. The AP Triton report which was provided to City Council on August 22nd indicated an average collection per transport at \$762.19, which would result in net revenues of approximately \$168,000 in Year 1.

The entire proceeds of all billings or collection efforts will be the sole property of the City. McCormick will not have any right to the proceeds of any billings or collections for services provided or for any other services provided under the Contract. Ambulance transport billing will not change from the current collection policies and procedures that are in place today.

McCormick Ambulance will be paid by the City for emergency ambulance transport services in the amounts proposed in Council Recommended Action Number One. Each month McCormick Ambulance will submit invoices to the City based on the number of transports for the previous month.

Attachments:

1. Ambulance Services RFP
2. Contract for Services

Respectfully Submitted by: Pete Bonano, Fire Chief

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Sergio Gonzalez, City Manager