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APR 27 2010




by City Manager's Office
Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

**FROM: Deanna Santana
Darryl VonRaesfeld**

SUBJECT: EMERGENCY MEDICAL SYSTEM WORKPLAN/SCHEDULE UPDATE **DATE: April 26, 2010**

Approved: 

Date: 4/27/10

INFORMATION MEMO

This Information Memo is being provided as an update on the Countywide Ambulance Services Request for Proposal (RFP). As stated in the Information Memos dated November 13, 2009 and January 21, 2010, the City is interested in the Emergency Medical System on many levels, including the revenue generating opportunities available to the City. The below information details the revised RFP schedule, staff activities to date and the next steps in the process.

This is a County RFP process, and the County has its own set of procurement guidelines, City staff has adhered to the procurement guidelines throughout the Ambulance Contract development. It is important to note that one of the options the City is considering is the potential partnership with one of the vendors to jointly submit a proposal to this RFP. As such, Council is encouraged to be mindful and any potential conflicts of interest that may arise from meeting with lobbyists, vendors or labor groups. As noted in previous Information Memos, staff activities have included participation in the development of RFP components with the County and other stakeholders and its own Request for Information (RFI) process to understand which vendor may be best to work with the City on either Option 2 or 3. As a recap, the following are the options the City is considering:

- Option 1 - Maintain the current delivery model, with increased opportunities to use STAR units and increased reimbursement to the City per year.
- Option 2- Maintain the current delivery model with leased public assets, plus the increased opportunities noted under Option 1.
- Option 3 - New Service Delivery Model/Public-Private Partnership

Now that the County's RFP has been released, staff will continue to maintain strict adherence to process integrity as we move forward with the next steps listed below. Additionally, if Council at any time during this process has questions regarding potential conflicts of interest related to past, current or future meetings with potential vendors and or other parties, please contact Deputy City Manager Deanna Santana at 408.535.8280.

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Below are some key activities and dates:

County RFP Timeline: The RFP was originally scheduled to be released and available for bidders in January 2010 with bidder selection in May 2010. The RFP was released on April 16, 2010, with a closing date of June 16, 2010, with bidder selection scheduled for July 14, 2010.

Ambulance Vendor Request for Information: The two previous Information Memos noted that staff developed an RFI process and three ambulance vendors participated. This included a written Best and Final Offer process with follow up clarification interviews for each vendor. At the time the additional information was requested by the City, the vendors noted that it would be difficult to respond to the requested information without having the final County RFP information.

Timeline for RFP: The major benchmarks involved in the County Ambulance RFP are as follows:

- | | |
|---------------------------------|------------------|
| ▪ County Ambulance RFP Released | April 16, 2010 |
| ▪ Pre-Proposal Conference | April 30, 2010 |
| ▪ Credentials Due | May 17, 2010 |
| ▪ RFP Proposals Due | June 16, 2010 |
| ▪ Winning Proposal Identified | July 14, 2010 |
| ▪ Board of Supervisors Approval | December 7, 2010 |
| ▪ Contract Start Date | July 1, 2011 |

Next Steps: Staff will complete the RFI process, and determine which of the three options are the most viable for the City. Additionally, legal review and analysis of each of the options is currently being conducted to determine the appropriate parameters available relative to each option. Also, City staff has recently met with Local 230 to review the timeline, the options and to receive their input on this process and options. Upon final review and legal determination, staff may develop a recommendation for Council consideration in late May/early June.

Please call Deputy City Manager Deanna Santana at 408.535.8280 or Chief Darryl VonRaesfeld at 408.277.4444 if you have any questions.

/s/
DEANNA SANTANA
Deputy City Manager

/s/
DARRYL VONRAESFELD
Fire Chief





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NOV 13 2009

by City Manager's Office
Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Darryl Von Raesfeld

SUBJECT: EMERGENCY MEDICAL SYSTEM DATE: November 13, 2009

Approved:

11/13/09

INFORMATION MEMO

Santa Clara County Emergency Medical Services Agency (EMS Agency) is currently developing an RFP for a five year contract to provide County-wide 9-1-1 ambulance services. The contract will also have two, three-year extensions that could result in an 11 year contract for the selected vendor. The RFP is scheduled to be completed and available for bidders in January 2010; with bidder selection in May 2010. The effective date of the new contract is July 1, 2011.

Staff has been working with the County to develop the RFP document, but in order to preserve the City's flexibility for exploring options for responding to the RFP staff has informed the County that it will opt out of participating in the RFP development as of this month. As discussed below, staff will be presenting the policy options for the City's response in January.

BACKGROUND

The County has been delegated the authority by the State EMS Authority to establish and regulate the emergency medical services within Santa Clara County. Per this authority, the County can and has established an "Exclusive Operating Area," which encompasses the entire county with the exception of the City of Palo Alto. Palo Alto has the authority to provide ambulance service under Section 1797.201 of the Health and Safety Code.

The current ambulance contractor is AMR. In 1994, the Fire Department and an EMS consultant developed EMS delivery options for Council consideration, which included the City providing ALS ambulance service and ALS First Responder Services. Council chose the option of providing ALS First Responder services only. This option was originally envisioned to be fully-funded by the private ambulance, which obtained significant savings through lengthening its response times and reduced personnel requirements.

In 1995, the City entered into an agreement with the County to provide ALS First Responder Services that were partially reimbursed by AMR. First responder funding is created from system savings that are accrued by having paramedic engine companies arrive on scene at eight minutes,

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90% of the time. This allows AMR to extend their response time from 10 minutes to 12 minutes, 90% of the time.

The system savings accrued through the City's provision of ALS First Response is significantly higher than the contract amount funded to first responder agencies. This entails more of a subsidy by local cities to the EMS system.

SUMMARY

The County ambulance contract RFP will be released in January 2010 with vendor selection in May 2010. The contract is initially for five years with a possibility of a total of eleven years through two three-year extensions.

Fire Department staff has had substantial involvement in the early development of the RFP. For example, Fire Department staff has participated extensively in the development of a draft framework for the RFP that was then submitted to the County consultant for final development. Additionally, staff worked with the Santa Clara County City Managers Association EMS Subcommittee and developed a document titled "Emergency Medical Services Request for Proposal Design Principles," which clarified the City Managers Association's concerns related to the RFP development. The "Principles" document focused on three areas; patient care, personnel safety (to reduce costs related to injury of emergency responders), and financial stability. This document was presented to the City Managers Association and after their approval, was sent to the County EMS Agency to be incorporated into the RFP development process. Last, the City's concerns and desired outcomes have been expressed at multiple Santa Clara County Fire Chief's Association meetings, where additional RFP development deliberation has occurred.

At the most recent stage of the RFP development, the County requested the City to agree that it would not make a proposal in response to the RFP. Because two of the three options discussed below would be foreclosed by such an agreement, staff has informed the County that it would opt out of participating further in the RFP development.

Staff has tentatively identified three options that it plans on presenting to the City Council for consideration and direction no later than January 2010. These options are summarized below:

OPTION 1 - Maintain the current delivery model

This option would maintain the current EMS delivery system's structure which has the Fire Department providing ALS First Response and the County contracted ambulance service providing the paramedic ambulance transport.

OPTION 2 - Maintain the current delivery model with leased public assets

Maintain the current delivery model as in Option 1 but add the opportunity for the City to lease available public assets (e.g., fire stations with capacity, fuel convaults, maintenance facilities, etc.), to the successful bidder at market rates to increase revenues to the City. This option would

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also improve the working conditions for the ambulance vendor's employees. During the RFP development, the stakeholders group determined that additional consideration would be given to any bidder including the leasing of available public assets in their proposal.

OPTION 3 – New Service Delivery Model/Public-Private Partnership Opportunity

This option results in the City entering into a partnership with an ambulance company and assist in the development of the proposal prior to the selection of a County ambulance vendor. The Fire Department would continue to provide ALS First Responder Service and the ambulance partner would provide the paramedic ambulance service. The City would collaborate with its ambulance partner to develop funding and operating strategies and identify available public assets as mentioned in Option 2 to fulfill partnership participation requirements. The City and ambulance vendor would share in the after-tax income at a negotiated percentage.

Staff is in the process developing a Request for Information (RFI) to solicit interest from ambulance vendors in partnering with the City, consistent with Options 2 or 3. Based on the outcome of the ROI, staff would assess the market interest and revenue generating opportunities with either of these options and develop a staff report for Council consideration of the policy options available for City Council consideration no later than January 2010.

It should be noted that Options No. 2 and 3 may be limited by financing restrictions on the use of the facilities to be leased out. Staff will provide further analysis of this issue when it presents the options to Council.

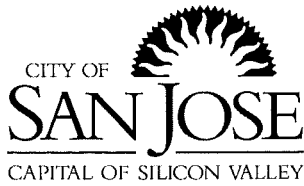
The outcome of this process is important given San Jose generates and responds to 63% of the total EMS 9-1-1 call volume in the county. EMS responses account for approximately 84% of the Fire Department's total emergency response call volume. The Fire Department responds to approximately 43,000 emergency medical services requests each year. Staff is exploring various options in system design with the goal of maximizing reimbursement for Advanced Life Support (ALS) First Responder Services. These are three options that have been determined to be the most feasible that staff would like to continue to explore in order to seek policy direction from the City Council by January 2010. If you have any questions about this effort, please contact me.

/S/

DARRYL VON RAESFELD

Fire Chief





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JAN 21 2010

by City Manager's Office
Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Deanna Santana

**SUBJECT: EMERGENCY MEDICAL SYSTEM
WORKPLAN/SCHEDULE UPDATE**

DATE: January 21, 2010

Approved:

Date:

1-21-10

INFORMATION MEMO

As noted in an Information Memo dated November 13, 2009 on the Countywide Ambulance Services RFP, Santa Clara County Emergency Medical Services Agency (EMS Agency) continues to develop an RFP for a five year contract, with two three-year extensions to provide County-wide 9-1-1 ambulance services. The below information is being provided as an update for Council on the RFP schedule, staff activities to date as well as next steps in the process.

ACTIVITIES TO DATE

County RFP Timeline: In January, the County contacted City staff of the delay in the RFP release. The RFP was scheduled to be completed and available for bidders in January 2010; with bidder selection in May 2010. Staff has been advised by the EMS Agency that it intends to release the RFP in late February or early March. Staff will continue to keep the Council apprised of any changes to this schedule.

Ambulance Vendor Request for Information: On December 3, 2009, the City released an RFI seeking a response from ambulance vendors interested in forming a partnership with the City. Three vendors responded to the RFI and were subsequently interviewed to obtain additional clarification regarding their responses and to give staff the opportunity to present follow-up questions. Staff is now in the process of de-briefing and evaluating the interviews as well as identifying next steps in the process. After this analysis is complete, staff plans on forwarding for Council consideration a recommendation. This Council Memo will be presented to the Council after the release of the RFP to ensure that the analysis is consistent with the RFP, not as originally noted in the Information Memo, which referenced January.

Please call me at 408.535.8280 if you have any questions.

DEANNA SANTANA
Deputy City Manager

