



Office of the City Manager

CONSENT CALENDAR
December 11, 2018

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: David Brannigan, Fire Chief
 Subject: Contract: Wittman for Fire Inspection and Emergency Response
 Billing and Related Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract and any amendments with Wittman Enterprises LLC (Contractor) to provide the following services for the Berkeley Fire Department (Department) from January 1, 2019 to December 31, 2023, in an amount of \$3,655,677, with an option to extend for ten additional years in two five-year increments in the amount of \$2,055,233 for the first option term, and \$2,157,995 for the second optional term, for a total contract amount not to exceed \$7,868,905.

- Emergency response billing, and
- Fire inspection billing, and
- Related hardware, software, and program oversight.

FISCAL IMPACTS OF RECOMMENDATION

Ambulance Transport Billing:

The Contractor charges 3.85% of the net revenue collected for providing emergency response billing services. Based on an assumed \$5,100,000 in annual projected transport revenue, billing fees are anticipated not to exceed \$1,079,925 for the five-year contract term. The projected fees from January 1, 2019 to June 30, 2019 in the amount of \$98,175 will be funded from the General Fund and is included in the FY 2019 Department budget (Budget code: 011-72-742-837-0000-000-423-612990). The remaining costs will be included in the General Fund Biennial Annual Budget beginning FY 2020.

Contract: Wittman for Fire Inspection and Emergency Response Billing and Related Services

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Regional Situation and its Impact on Funding and Implementation:

The implementation date for the supporting software, hardware and program oversight will be contingent on the decisions made by the Alameda County Board of Supervisors in regards to Alameda County RFP No. EMS-901017 *Emergency Ambulance Service, 911 Response, ALS Transport*. Based on this dynamic evolving RFP, it may be necessary to quickly implement these programs prior to July 1, 2019 in which case a General Fund allocation of \$66,612 would be required as part of the Second Amendment to the FY 2019 Annual Appropriations Ordinance. The remaining costs will be included in the General Fund Biennial Annual Budget beginning FY 2020.

Fire Inspection Billing:

The Contractor charges 15% of net collections for fire inspection billing. Based on \$600,000 in annual projected revenues, billing fees are anticipated not to exceed \$405,000 for the five-year contract term. It will be funded by revenues collected for fire inspections and included in the Biennial Budget beginning FY 2020. Billing services for fire inspections are expected to begin July 1, 2019.

Cost by Fiscal Year:

The costs of the contract will be paid by revenues collected for emergency response services and annual fire inspections. Below is a summary of the contract costs listed by year:

Budget Year	Ambulance Billing Fees (3.85% of Net Collections)	Fire Inspection Billing Fees (15% of Net Collections)	Supporting Software, Hardware, and Related Services			TOTAL
			One-Time	Recurring	10% Contingency	
1/1/2019 to 6/30/2019 (6 Months)	\$98,175	\$0	\$66,612	\$0	\$6,661	\$171,448
7/1/2019 to 6/30/2020	\$196,350	\$90,000	\$460,913	\$350,920	\$46,091	\$1,144,274
7/1/2020 to 6/30/2021	\$196,350	\$90,000	\$0	\$350,920	\$0	\$637,270
7/1/2021 to 6/30/2022	\$196,350	\$90,000	\$0	\$350,920	\$0	\$637,270
7/1/2022 to 6/30/2023	\$196,350	\$90,000	\$0	\$350,920	\$0	\$637,270
7/1/2023 to 12/31/2023 (6 Months)	\$196,350	\$45,000	\$0	\$186,795	\$0	\$428,145
Total for Five Years	\$1,079,925	\$405,000	\$527,525	\$1,590,475	\$52,752	\$3,655,677
Optional Contract Amendments (10 years Total)						
1/1/2024 to 12/31/2028 with 5% Increase	\$909,563	\$425,250	\$320,000	\$368,420	\$32,000	\$2,055,233
1/1/2029 to 12/31/2033 with 5% Increase	\$955,041	\$446,513	\$336,000	\$386,841	\$33,600	\$2,157,995
Total Contract Not to Exceed	\$2,944,529	\$1,276,763	\$1,183,525	\$2,345,736	\$118,352	\$7,868,905

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Response Billing and Related Services

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CURRENT SITUATION AND ITS EFFECTS

The Department requires a contractor to bill for ambulance transport and first responder advanced life support (FRALS) services as resources are not available within the Fire Department.

Regional Situation and the Local Impacts:

In 2017, the Alameda County Local EMS Agency (LEMSA) conducted a Request for Proposal (No. EMS-901017 Emergency Ambulance Service, 911 Response, ALS Transport) to select the private ambulance transport provider. This RFP provides private ambulance transport to areas of the County not governed by municipal Exclusive Operating Areas (EOA). In Alameda County, the only municipalities with EOAs are Alameda City, Albany, Berkeley and Piedmont.

Several key components that were included in the previous RFP (issued in 2011) were removed from the 2017 RFP. Of the many changes that were made in the RFP those of critical note are the loss of items and services that are provided to the City at no cost. When the new RFP goes into effect on July 1st, 2019 the City will no longer be provided mobile computers that allow its paramedics to perform field documentation as required by law, hardware maintenance and repair services, program oversight (to including IT support), and the current electronic patient care reporting software.

The Fire and Information Technology Departments do not have the software, hardware or in-house human capacity to supplant these losses. Thus, the City also required the Contractor to provide wrap-around services that include software, hardware, data analytics, and program oversight.

Fire Inspection Billing:

The Department conducts annual fire inspections of multiple-unit residential occupancies containing three or more units, commercial properties, vacant lots, projects under construction, and parking lots. The goal of these inspections is to decrease the number and severity of fires. Property owners or responsible parties are charged in accordance with the time spent on each inspection.

Fire inspections are scheduled based on the property records stored in the Fire Record Management System (RMS). The RMS is complex and the Department does not have sufficient resources to maintain it. This results in incorrectly scheduled or missed inspections, bills sent to incorrect addresses, and new or re-zoned properties not accurately updated in the database. The result is billing adjustments and errors that often require extensive staff time to correct.

A well-maintained property database in the RMS is critical for accurate and efficient collection of revenue. Outsourcing fire inspection billing services will allow staff to focus on maintaining the RMS.

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Response Billing and Related Services

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City of Berkeley No. 18-11181-C:

On July 13, 2018, a Request for Proposal (RFP) for EMS RMS Systems & Billing Services, Specification No. 18-11181-C, was issued. The RFP closed on September 6, 2018. Seven (7) bids were received and reviewed by staff. Three bids fell within the competitive range and were further evaluated by a panel comprised of three staff members of the Fire Department responsible for management of the EMS Division including ambulance billing, one staff member from Information Technology and one staff member from Finance. The panel scored Wittman Enterprises LLC as the finalist based on the criteria and requirements set forth in the RFP.

BACKGROUND

The Department provides ambulance transport services and first responder advanced life support services to the Berkeley community for a fee, and has contracted for specialized ambulance billing services since 1987. The ambulance billing contractor bills the patients' insurance carriers and/or the patients for transport services. Payments are made directly to the City. The current ambulance billing services contract will expire on January 31, 2019.

The Department conducts approximately 6,500 annual fire inspections. During these inspections, firefighters check to ensure that residential and commercial occupancies are in compliance with the Fire Code. Inspection fees are charged based on the time spent on each inspection. Currently, fire inspection billing is handled in-house through a collaborative effort between the Fire Department and Finance Department. Due to the lack of a well-maintained property database in the RMS and an effective integration between the RMS and the City's billing system, the billing processes are tedious and results in many manual adjustments and corrections that consume extensive staff time.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Ambulance billing and fire inspection billing provide significant revenues to the City. The existing contract for ambulance billing will expire on January 31, 2019. The new contract must provide EMS billing service and the wrap around services that had been provided - at no cost to the City through the countywide transport agreement since 2011.

Outsourcing fire inspection billing services will allow staff to focus on maintaining an accurate RMS database, which will help to reduce billing errors and increase net revenues.

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ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Dave Brannigan, Fire Chief, (510) 981-3473

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: WITTMAN FOR FIRE INSPECTION AND EMERGENCY RESPONSE
BILLING AND RELATED SERVICES

WHEREAS, the Berkeley Fire Department provides ambulance transport services and first responder advanced life support services to the Berkeley community for a fee; and

WHEREAS, the current contract for ambulance transport billing will expire on January 31, 2019; and

WHEREAS, in 2017, the Alameda County Local EMS Agency (LEMSA) conducted a countywide Request for Proposal (RFP) to select its private ambulance transport provider for areas of the County where local municipalities do have Exclusive Operating Area Agreements for ambulance transport (Alameda City, Albany, Berkeley and Piedmont). Several key components that were included in the previous RFP (issued in 2011) were removed from the 2017 version. As a result of those changes, all Cities with their own EOA will lose the following free services as of July 1, 2019; cardiac compression systems, computers that allow field providers to perform field documentation of patient care, the current electronic patient care reporting software and program oversight including IT support, hardware maintenance and repair; and

WHEREAS, the Berkeley Fire Department requires a contractor to provide billing services for ambulance transport, first responder advanced life support and fire inspections since in-house resources are not available within the Fire Department; and

WHEREAS, on July 13, 2018, a Request for Proposal (RFP) for EMS RMS Systems & Billing Services, Specification No. 18-11181-C, was issued. The RFP closed on September 6, 2018. Seven (7) bids were received and reviewed by staff. Three bids fell within the competitive range and were further evaluated by a panel comprised of three staff members of the Fire Department responsible for management of the EMS Division including ambulance billing, one staff member from Information Technology and one staff member from Finance. The panel scored Wittman Enterprises LLC as the finalist based on the criteria and requirements set forth in the RFP; and

WHEREAS, funding for ambulance and first responder advanced life support billing fees in the amount of \$98,175 for January 1, 2019 to June 30, 2019 is available in the Fire Department's FY 2019 annual budget (budget code 011-72-742-837-0000-000-423-612990); and

WHEREAS, the costs for fire inspection billing will be appropriated in the General Fund Biennial Budget beginning FY 2020; and

WHEREAS, the implementation date for the supporting software, hardware and program oversight will be contingent on the decisions made by the Alameda County Board of Supervisors in regards to Alameda County RFP No. EMS-901017 Emergency Ambulance

Service, 911 Response, ALS Transport. It may be necessary to quickly implement components of these programs prior to July 1, 2019 in which case a General Fund allocation of \$66,612 may be required as part of the Second Amendment to the FY 2019 Annual Appropriations Ordinance. The remaining costs will be included in the General Fund Biennial Annual Budget beginning FY 2020.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract and any amendments with Wittman Enterprise LLC to provide emergency response billing service, fire inspection billing service, and wrap-around services to the Berkeley Fire Department from January 1, 2019 to December 31, 2023, in an amount of \$3,655,677, with an option to extend for ten additional years in two five-year increments in the amount of \$2,055,233 for the first option term, and \$2,157,995 for the second optional term, for a total contract amount not to exceed \$7,868,905.

