
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: November 14, 2008

IBA Report Number: 08-115

City Council Meeting Date: November 17, 2008

Item Number: 202

Extension of Emergency Medical Services (EMS) Agreement

OVERVIEW

The City currently contracts for emergency medical transportation services with San Diego Medical Services Enterprise (SDMSE), a limited liability partnership between the San Diego Fire-Rescue Department and Rural/Metro of San Diego. The current contract expires on December 31, 2008, and the City has no more “options to renew”.

To prepare for the competitive procurement process to select a new vendor, the City hired a consultant to prepare the Request for Proposal (RFP) that bidders would respond to. The process to select this consultant was initiated in spring 2007, but a contract was not awarded until the spring of 2008. The City encountered significant difficulties working with the consultant that ultimately impacted the process and timeline.

In late August, a draft of the RFP was provided to the County for their approval. The County’s approval is required because overall countywide emergency medical services are their responsibility as defined in the State Health and Safety Code (Section 1797.224). Upon receiving approval to release the RFP, pending final approval from the County, the City released the RFP for Emergency Medical Services on September 11, 2008 with an original due date of October 1, 2008; however, after four addendums were issued, the final revised due date was set for October 22, 2008.

On October 31, 2008 the County of San Diego suspended our RFP process, stating that “the RFP does not meet state law requirements relating to conducting a fair and competitive process.” In addition the State’s Emergency Medical Services Authority identified the short time frame as insufficient to allow bidders an opportunity to prepare responsive proposals. The County identified three corrective actions, including the

cancellation of the current RFP process, reworking the RFP to meet requirements, and extending the current contract to assure services are provided without interruption. *The County EMS, upon request of the City, has the authority to consider an extension of the current contract to accomplish continuation of services.*

On November 17, 2008 the City Council is being requested to authorize the Mayor to execute an extension of the contract with SDMSE for eighteen (18) months, with an option to extend for an additional six months if necessary.

FISCAL/POLICY DISCUSSION

The IBA has three concerns that we believe should be addressed as part of the discussion for the requested action:

First, the fiscal impact of this action is not known at this time. It is assumed that the current terms will remain in place for the extended period. However, negotiations with SDMSE have not been initiated and SDMSE has expressed concerns about the extension period of 18-24 months. Their concerns center on the amount of capital investment that may be required and their ability to retain/attract qualified employees given that the City can only guarantee the contract for a maximum of two years. Existing terms may be revised as a result of negotiations. If existing terms of the contract are modified, the IBA recommends the Mayor return to Council for approval.

Second, the primary focus for Monday's actions is the approval of the revised timeframe. It is our understanding from the Mayor's staff, that this timeframe will enable them to rewrite and reissue the RFP and ensure adequate time is allowed for selection of the vendor. The City will not be utilizing a consultant to assist in this process. A copy of the tentative schedule is attached (Attachment 1). Upon Council approval, the City will also require approval by the County of the extended timeframe. Today's action will be authorized via ordinance, and as such, will require two hearings. If the time extension is authorized, staff has communicated that they will obtain approval by the County before the second hearing. It is unclear how this process will be impacted if approval is not obtained and/or in time for the second hearing.

Third, the letter from the State (Attachment 2) stated that the reason they deemed the process as unfair and impartial was because "the RFP only allows bids to be submitted for the private ambulance provider portion of the contract, and the successful bidder will be required to partner with SDFD as a condition of being selected for the award." The IBA would like further clarification on how this will be resolved.

CONCLUSION

Unfortunately, due to necessity, options are limited. An extension of the contract is necessary to continue this vital service. However, if approval is granted by the Council, the extended time period still requires County approval and the terms of the contract have

yet to be finalized. This must be accomplished by December 31, 2008 to ensure services are continued without interruption.

[SIGNED]

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[SIGNED]

APPROVED: Andrea Tevlin
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Attachment 1 – Draft Revised Timeline
Attachment 2 – October 30, 2008 letter from State of California – Health and Human Services Agency