



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-223

Meeting Date: 4/21/2026

TITLE:

AMENDMENT NUMBER THREE TO EXTEND THE TERM OF THE PROFESSIONAL SERVICES AGREEMENT WITH FALCK MOBILE HEALTH CORPORATION FOR AMBULANCE SERVICES

DEPARTMENT: COSTA MESA FIRE & RESCUE DEPARTMENT

PRESENTED BY: JASON PYLE, INTERIM FIRE CHIEF

CONTACT INFORMATION: JASON PYLE, INTERIM FIRE CHIEF 714-754-5155

RECOMMENDATION:

Staff recommends the City Council:

1. Approve Amendment Number Three to the Professional Services Agreement with Falck Mobile Health Corp (Previously known as Care Ambulance) to extend the term for the continuation of emergency ambulance operator and support services for two additional years from August 1, 2026 through July 31, 2028 for an amount not to exceed (NTE) \$5,020,000, with all other terms and conditions to remain the same as outlined in Amendment Number Two.
2. Authorize a ten percent (10%) contingency in the amount of \$502,000 for unforeseen costs.
3. Authorize the City Manager and the City Clerk to execute Amendment Number Three to the Professional Services Agreement (Attachment 1) and future amendments to the agreement within City Council authorized limits.

BACKGROUND:

Pursuant to California Health & Safety Code section 1797.201, because the City of Costa Mesa has provided and/or contracted for emergency ambulance services continuously at least since June 1, 1980, the City has retained all rights, remedies, and privileges regarding the provision, administration, and operational control of all prehospital Emergency Medical Services (EMS) within its jurisdiction, including, but not limited to, emergency ambulance response and patient transport services.

In accordance with its section 1797.201 powers, on December 20, 2017, the City initiated a competitive process by issuing a "Request for Proposals," coordinated by the Fire & Rescue Department, in which qualified ambulance companies were reviewed, analyzed, and compared. The Fire & Rescue Department chose to use the competitive process format outlined in California Emergency Medical Services Authority Publication #141 due to its efficiency, rather than developing a new format.

On July 17, 2018, the City Council accepted the proposal submitted by Care Ambulance Service, Inc. (now Falck Mobile Health Corp) and authorized the Fire & Rescue Department to negotiate an agreement for the provision of emergency ambulance operator and support services. The City and Care Ambulance Services entered into a Professional Services Agreement (the "Agreement") to allow for the provision of such services effective on August 1, 2018, for a period of five (5) years. The Agreement allows for five (5) one (1) year extensions of the term of the Agreement.

On July 18, 2023, the City and Falck Mobile Health Corp ("Falk") entered into Amendment Number One to extend the Agreement for a period of one (1) year to July 31, 2024.

Amendment Number Two utilized the second and third of the five one-year extensions of the Agreement and extended the Agreement to July 31, 2026.

The proposed Amendment Number Three utilizes the fourth and fifth of the five one-year extensions of the Agreement and extends the term of the Agreement to July 31, 2028. In addition, proposed Amendment Number Three, like Amendment Number Two, authorizes the City Manager to increase the Purchase Order (PO) by 10% if needed for additional services.

ANALYSIS:

The term of the Agreement set forth in Section 4.1 shall be extended for two years through July 31, 2028. The term for each fiscal year includes \$2,418,439 for ambulance operator services, with a remaining amount of \$91,561 for surge ambulances, for a total annual PO amount of \$2,510,000. An additional ten percent (10%) contingency in the amount of \$251,000 is available annually, if needed.

The terms set forth in Section 2.1 Compensation, Additional Expenses Surge Unit/ Ambulance EMT Crew (on as needed basis), will reflect the updated terms, as reflected in Attachment 4; \$300 per hour measured in 15-minute intervals at \$75 per 15 min. Billing to City for Surge Unit will begin when the requested Falck unit goes "en route" and should the assigned Falck unit be canceled within the first five (5) minutes of going "en route" then there will be no billing to the City. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect

From the commencement of the current Agreement until the present time, Falck has met and fulfilled all contractual obligations and requirements. In fact, the Fire & Rescue Department has determined that Falck has exceeded all expectations and helped foster a partnership that has been instrumental in maintaining Costa Mesa's high-quality EMS system. Based on its performance over the past six years, Falck has maintained a well-managed organization, staffed by dedicated personnel who care about its mission and the patients they serve.

Extending the agreement to July 31, 2028, will allow for emergency ambulance staffing to continue. Section 4.2 of the agreement allows the City to terminate the Agreement at any time with written notice to Falck if it is later determined that services will not be needed for the entire time period of the extension.

ALTERNATIVES:

Since Falck has met and satisfied the requirements and expectations of the Agreement, no other alternatives were considered.

FISCAL REVIEW:

The total cost for the two-year agreement extension, inclusive of a 10% contingency, is \$5,522,000. The City's ambulance services expenditure is included in the Fire & Rescue Department's General Fund budget (Fund 101). The Ambulance Program is net neutral to the General Fund with sufficient revenues from the program to offset the expenses.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and Amendment Number Three and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

The item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life.

CONCLUSION:

Based on the aforementioned reasons, the Fire & Rescue Department respectfully recommends that the City Council approve Amendment Number Three with Falck Mobile Health Corporation, for the continuation of emergency ambulance operator and support services until July 31, 2028, for an amount not to exceed (NTE) \$5,020,000, with all other terms and conditions to remain the same as outlined in Amendment Number Two; authorize a ten percent (10%) contingency in the amount of \$502,000 for unforeseen costs; and authorize the City Manager to execute this amendment and to approve any changes and future amendments to the Ambulance Services Agreement.