



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-231

Meeting Date: 6/4/2024

TITLE:

TWO YEAR EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT WITH WITTMAN ENTERPRISES, LLC FOR AMBULANCE BILLING AND COST RECOVERY SERVICES RFP 18-03

DEPARTMENT: COSTA MESA FIRE & RESCUE DEPARTMENT

PRESENTED BY: DANIEL A. STEFANO, FIRE CHIEF JASON PYLE, ASSISTANT FIRE CHIEF

CONTACT INFORMATION: JASON PYLE, ASSISTANT FIRE CHIEF (714) 754-5155

RECOMMENDATION:

Staff recommends the City Council:

1. Approve Amendment Number Two to extend the term of the Professional Services Agreement for Ambulance Billing and Cost Recovery Services between Wittman Enterprises, LLC and the City of Costa Mesa for two (2) additional years to July 31, 2026 and to increase the per call cost.
2. Authorize the City Manager to execute the Amendment.

BACKGROUND:

On August 7, 2018 City Council approved the Professional Services Agreement for Ambulance Billing and Cost Recovery Services between Wittman Enterprises, LLC and the City of Costa Mesa. (Attachment 2).

From the commencement of the current agreement until the present time, Wittman has met and fulfilled all contractual obligations and requirements. Based on its performance over the past six years, Wittman has maintained a well-managed organization staffed by professional personnel who are extremely knowledgeable and competent in the field of cost recovery.

ANALYSIS:

The City extended the Agreement in July of 2023 for one year (Amendment #1 - Attachment #3) to July 31, 2024 to allow for emergency ambulance billing services to continue. Section 4.2 of the Agreement allows the City to terminate the Agreement at any time with written notice to Wittman if it is later determined that services will not be needed for the entire time period of the extension. The proposed Amendment No. Two utilizes the second and third of the five one-year extensions of the Agreement and extends the Agreement to July 31, 2026, per Section 4.0.

1. **Cost** - Selection of the best price option. Wittman continues to provide the cost option for either "Price Per Call" or "Percent of Net". Based on our current and future call volume and

collection rates, the option to go with the better of the two formulas is “Price Per Call” and it is advantageous for the City.

- a. Amendment No. Two (2) increases the price per call option from \$22.00 to \$23.00.

2. Interagency Operations - Wittman is the current Ambulance Billing Service Provider for the City of Newport Beach Fire Department and the City of Huntington Beach Fire Department. The majority of our mutual aid requests are from the Cities of Newport Beach and Huntington Beach. As all three Fire Departments are operating their own Ambulance Service there is greater efficiency in having the same billing agent process all mutual aid ambulance billing requests.

ALTERNATIVES:

Wittman’s services have satisfied and exceeded the obligations, requirements, and expectations of the original Agreement, and therefore no other alternatives were considered.

FISCAL REVIEW:

It is understood that the consultant’s cost projections could vary within a reasonable margin above/below the projections identified. Additionally, the consultant’s cost projections are in line with similar municipal agencies. To that end, the City’s Finance Department has reviewed the consultant’s Agreement and confirms that the cost projections appear reasonable and correct.

The increase in the “Price Per Call” option of \$1.00 a call will result in an increase in annual cost of approximately \$9,500. Due to increased efficiencies in data acquisition and field personnel experience in program input, the current annual compensation of “not to exceed of \$240,000.00” is projected to cover the contact costs each year. There is no annual contract increase request and no Budgetary increase is requested.

The original Terms and Conditions of the Agreement “Sections 2.0 Compensation and Billing” remain unchanged except for the \$1.00 increase to the “Price per Call” cost. The annual compensation remains unchanged at the “shall not exceed Two Hundred Forty Thousand Dollars (\$240,000.00).”

LEGAL REVIEW:

The City Attorney’s office has reviewed this report and Amendment No. Two and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

Goal#1: Strengthen the Public’s Safety and Improve the Quality of Life.

CONCLUSION:

Staff recommends that the City Council approve Amendment No. Two to the Professional Services Agreement for Ambulance Billing and Cost Recovery Services between Wittman Enterprises, LLC and the City of Costa Mesa and to authorize the City Manager to execute the Amendment. The annual cost of services shall not exceed \$240,000.00.