



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 24-218

Meeting Date: 6/4/2024

TITLE:

AMENDMENT NO. TWO 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: 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 approve Amendment Number Two to the Professional Services Agreement with Falck Mobile Health Corporation (Previously known as Care Ambulance) to extend the term for the continuation of emergency ambulance operator and support services until July 31, 2026, and to provide a 2.5% increase in the Annual Compensation Package for each of the next two years.

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 Corporation) 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 entered into Amendment No. One to extend the Agreement for a period of one (1) year to July 31, 2024. This 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.

ANALYSIS:

From the commencement of the current Agreement until the present time, Falck has met and fulfilled all contractual obligations and requirements. In fact, it has been the Fire & Rescue Department's experience that Falck Ambulance Service has exceeded all expectations and has 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 their mission and the patients they serve. Extending the agreement to July 31, 2026 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.

The terms set forth in Section 2.1 Compensation, will reflect a two (2) year contract extension. Each consecutive year encompasses a 2.5% increase per year for the Annual Compensation Package for Ambulance Operator Services. The Compensation Package breakdown is as follows:

First (1) year annual compensation of not to exceed \$2,454,000.00. Annual Compensation Package for Ambulance Operator Services of \$2,359,453.00. (Attachments 3 - Compensation Package updated)

Second (1) year annual compensation of not to exceed \$2,510,000.00. Annual Compensation Package for Ambulance Operator Services of \$2,418,439.00. (Attachments 3 - Compensation Package updated)

The annual fiscal year budgetary impact for year one (1) is an increase of \$54,000.00 and an annual fiscal year budgetary impact for the second (2) year of \$56,000.00.

ALTERNATIVES:

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

FISCAL REVIEW:

The Amendment Number (2) Two to the Professional Services Agreement with Falck Mobile Health Corp is an extension for two (2) years (years two-and-three of five (5) additional one (1) year periods), beginning August 1, 2024 through July 31, 2026. The total not to exceed amount for the additional two (2) years is \$4.96 million, a budgetary increase of \$54,000 in the first year, and \$56,000 for the second year for a total increase of \$110,000.

A budget enhancement was requested in the General Fund for the Fire & Rescue Department to fund the increases to the Ambulance Operator contract. The increases for Ambulance Operator Services will be incorporated in the next fiscal year's budget, pending City Council's approval of the FY 2024-

25 Adopted Budget.

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 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:

Based on the aforementioned, the Fire & Rescue Department respectfully recommends that the City Council approve the attached Amendment Number Two in order for Falck Mobile Health Corporation to continue to provide emergency ambulance operator and support services until July 31, 2026; and authorize the City Manager to execute this amendment and to approve any changes and future amendments to the Ambulance Services Agreement.