



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
May 15, 2007

**Honorable Mayor and
Members of the City Council**

**Title: Cooperative Purchasing Contract: Advanced Life Support (ALS) Services
Billing (2/3 Vote Required)**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** 1) suspending competitive bidding; 2) approving the utilization of the Chicago Fire Department (CFD) cooperative purchasing agreement for ALS Billing with Advanced Data Processing Incorporated (ADPI); and 3) authorizing the City Manager to execute the necessary purchases on the contract in an amount not to exceed \$4.13 million through December 31, 2011.

Contact: Lloyd Ogan, Deputy Chief, 808-1603; Ray Jones, Deputy Chief, 808-1602; and Christopher Stewart, Procurement Services Manager, 808-6202.

Presenters: Not Applicable

Department: Fire

Division: Emergency Medical Services (EMS)

Organization No: 2554

Description/Analysis

Issue: The Sacramento Fire Department (SFD) has ongoing requirements for ALS billings. In accordance with City Code 3.56.240, the City Manager, by cooperative purchasing agreements approved by the City Council, may purchase supplies utilizing contracts of other governmental jurisdictions. The use of cooperative contracts is an alternative to City conducted competitive bidding, which results in lower operating costs through volume purchasing of services and combining resources with other government agencies.

Staff recommends that the Mayor and City Council accept the bids obtained competitively by the CFD as a basis for awarding City contracts. Further, staff recommends that the Procurement Services Manager be authorized to use that cooperative purchase agreement for collection services in an amount not to exceed \$4.13 million over the term of the contract. This amount is based on a 5% commission rate on projected collections of \$1.5 million per month (\$75,000

total monthly commission). These terms will remain in place through December 31, 2011 or such date the contract is no longer available for use by the City of Sacramento.

Policy Considerations: The recommendations in this report are in accordance with provisions of the City Code Section 3.56.240, which allows for the use of legal contracts of other government jurisdictions or public agencies without separate competitive bidding by the City upon approval of the City Council.

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061 (b)(3); 15378(b)(2)].

Commission/Committee Action: None

Rationale for Recommendation: The department's requirements include specific billing services based on the unique needs and operations of the SFD. After evaluating options, staff is recommending a contract to purchase this service through a cooperative purchasing agreement competitively bid by the CFD (contract number 14024). In billing for ALS services, SFD requires the use of a billing service that meets the high volume of calls. The department responded to an average of over 48,000 in the past two years. When the original contract was awarded in 1999, a nationwide competitive process resulted in two bids. In researching potential vendors to provide the required services for this agreement, staff identified an existing contract with CFD from which SFD can piggyback on. Pursuant to the existing contract with CFD, ADPI charges 5% commission of the funds collected for ALS services. This is a rate that is not offered by any other companies involved in the competitive bidding process with CFD. In addition, ADPI is implementing a new billing system using Intermedix Technologies, Inc., one of their subsidiaries. This new system will increase accuracy and cut down on billing turn around time which will increase the overall revenue for ALS services.

Financial Considerations: The costs incurred from this contract will be funded through the revenues collected by ADPI for ALS services. ADPI charges 5% commission of the funds collected for ALS services.

Emerging Small Business Development (ESBD): ADPI is not a certified small business enterprise.

RESOLUTION NO.

Adopted by the Sacramento City Council

**AUTHORIZING THE USE OF COOPERATIVE PURCHASING
CONTRACT FOR AMBULANCE BILLING SERVICES**

Background:

- A. The existing contract for Advanced Life Support (ALS) billing for the Sacramento Fire Department (SFD) with Advanced Data Processing Incorporated (ADPI) is continuing on a month to month basis based on an approved resolution dated June 29, 1999.
- B. In order to operate under a contract with language which included new technology at the same rate, staff recommends a contract to purchase this service through a cooperative purchasing agreement competitively bid by Chicago Fire Department (CFD), contract number 14024. The rates are favorable and the technology is superior. Therefore, it is advantageous to the City to utilize the cooperative purchase agreement.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. The use of the Chicago Fire Department (CFD) cooperative purchasing agreement, contract number 14024, for Advanced Life Support (ALS) billing services is approved.

Section 2. The City Manager or his designee is hereby authorized to execute the necessary purchases on contract number 14024 with Advanced Data Processing Incorporated (ADPI), 7750 Pardee Lane Suite 200, Oakland, CA 94621 in an amount not to exceed \$4.13 million, over the term of the contract. This amount is based on a 5% commission rate on projected collections of \$1.5 million per month (\$75,000 total monthly commission). These terms will remain in place through December 31, 2011 or such date the contract is no longer available for use by the City of Sacramento.