



**AGENDA REPORT**  
SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: October 20, 2015

Agenda Item 9-A  
**Approvals:**  
City Manager JM  
Dept. Head ES  
Attorney \_\_\_\_\_  
Finance JW

**Department:** Finance & Administrative Services  
**Prepared By:** Erik Sund, Assistant City Manager

**Subject:** *PROFESSIONAL SERVICES AGREEMENT WITH CARE AMBULANCE SERVICES FOR A ONE YEAR PILOT PROGRAM*

**Fiscal Impact:** The net impact for adding a second full-time ambulance, including revenue offset, is estimated at \$207,800 on an annual basis. To provide services for the remaining eight months in Fiscal Year 2016, a supplemental appropriation to the Fire Services budget of \$283,500 will be needed from the General Fund's Unassigned Fund Balance, and \$100,000 will be added to FY 2016 estimated Ambulance Service Charge revenues.

**Summary:** Staff is seeking City Council's approval for a Professional Services Agreement with Care Ambulance Service to provide a second City ambulance service on a full-time basis, for a one year pilot program.

**Background:** The City of San Clemente currently has the service of one full-time ambulance contracted through OCFA, deployed out of Station #60 (121 Avenida Victoria). Additionally, for the past two years the City has contracted with OCFA for a part-time seasonal ambulance service, from 9am to 9pm, starting in May and ending in October each year, deployed out of Station #50 (670 Camino de Los Mares).

OCFA has expressed concerns to the City regarding the long term viability and cost effectiveness of the current seasonal ambulance service due to staffing availability and staffing costs. Since this program is of a seasonal nature, OCFA has to gear up every year and has started to experience significant staffing issues that has caused a recent temporary outage to the seasonal service. The City has also seen higher costs than anticipated, due to the unavailability of part-time staff.

On August 18, 2015, City Council directed staff to bring back recommendations for ceasing the seasonal ambulance services with OCFA and implementing an agreement with a private ambulance company that would provide full-time, year round service at Station #50 for a one year pilot program. Upon the conclusion of this pilot program staff would return to the City Council with a full report of findings and a recommendation for future services.

**Discussion:** Based on discussions with OCFA, staff is recommending that the OCFA seasonal service cease on October 31, 2015, at the completion of the current agreement, and that no new agreement for 2016 be executed with OCFA for this service. No OCFA contract amendments would be needed to discontinue the service after the current agreement expires. The City's annual budget for Fiscal Year 2016 for the seasonal service, including vehicle replacement, is \$87,000. To replace this service, both City staff and OCFA recommend conducting a pilot program with a private ambulance carrier to provide an enhanced service of a second full-time, year round ambulance.

In light of recent changes to various Orange County cities and how ambulance services are provided, Orange County Emergency Medical Services (OCEMS) awards contracts for designated Emergency Operational Areas (EOA's) to a variety of private ambulance carriers. The contract for the Emergency Operation Area for San Clemente's neighboring cities was awarded to Care Ambulance Services. Due to their proximity and presence in the area, the City made a request to Care Ambulance Service to be the private ambulance provider for the proposed one year pilot program. The company provided a proposal to serve the City with an added full-time ambulance, for 24 hours per day, for a one-year period from November 1, 2015 through October 31, 2015, for an annual cost of \$469,800.

Currently, Doctor's Ambulance Service provides on-call overflow services in the event OCFA contracted services cannot fulfill a service call in the City. In lieu of charging transport fees, Doctor's Ambulance instead bills and collects revenue directly for any overflow ambulance transport that is handled by their company. Doctor's Ambulance does charge the City fees for cancelled emergency calls, when no transport occurs. The annual budget for fees for these cancelled calls is \$25,000 for Fiscal Year 2016.

With engaging full-time service with Care Ambulance, the City would no longer need the on-call overflow services of Doctor's Ambulance. The City would save \$25,000 in cancelled call fees annually and would be able to collect additional revenue from transports, conservatively estimated at \$150,000 annually.

Based on the proposal and budgets noted, the annual additional cost to the City to add the second full-time ambulance would be \$357,800, with approximately \$150,000 offset by additional revenues anticipated, for an estimated annual net impact of \$207,800. For the eight months remaining in Fiscal Year 2016, an additional budget appropriation of \$238,500 would be needed, offset by additional estimated revenue of \$100,000, for a net operating impact of \$138,500.

**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council

1. Authorize the City Manager to approve a Professional Services agreement with Care Ambulance Services for a full-time ambulance service for a one-year period from November 1, 2015 through October 31, 2016, with two 3 month extension options, for an annual amount of \$469,800.

2. Approve a supplemental budget appropriation in FY 2016 of \$238,500 to the Ambulance Program line item in the Fire Services Division budget, account # 001-226-43612-000-00000.
3. Approve additional estimated revenue of \$100,000 for FY 2016 for Ambulance Service Charges to account # 001-000-34221.

**Attachments:** None

**Notification:** Orange County Fire Authority  
Care Ambulance  
Doctor's Ambulance