



# CITY COUNCIL STAFF REPORT



**March 15, 2022**

## **ITEM TITLE**

Medical Transport Supply: Approving an Increase in the Annual Supply Ordering Threshold for the Ambulance Transport System to \$1,000,000 Annually, not to Exceed \$5,000,000 for the Term of the Contract

**Report Number:** 22-0074

**Location:** No specific geographic location

**Department:** Fire

**Environmental Notice:** The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## **Recommended Action**

Adopt a resolution approving an increase in the annual medical supply purchasing threshold to \$1,000,000, not to exceed \$5,000,000 for the term of the contract.

## **SUMMARY**

On May 12, 2020 City Council approved Chula Vista Council resolution 20-102 approving a program for the Chula Vista Fire Department to provide exclusive ambulance transport services within the City of Chula Vista, The City of Imperial Beach and the Bonita Sunnyside Fire Protection District. On January 5<sup>th</sup>, 2021, the City Council approved resolution 2021-007 approving supply purchases with Life-Assist and Bound Tree for medical supplies necessary for carrying out ambulance transport services for these two vendors not to exceed \$500,000 annually and \$2,500,000 over the maximum term of the agreements. The system is now entering its eleventh month of service, and currently there is the need to increase the purchasing maximums for the term of the agreements.

## **ENVIRONMENTAL REVIEW**

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under

Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not Applicable

## **DISCUSSION**

On October 29, 2020, the City of Chula Vista released a Request for Bid (RFB) for Transport Medical Supplies and conducted a competitive process to identify the most qualified and cost-effective medical supply provider. Staff solicited proposals from qualified companies, notifying one hundred and sixty-two (162) companies through PlanetBids. Seventeen (17) companies downloaded solicitations, and two (2) companies submitted bids. Both bids were considered responsive. Bound Tree was low bidder on 147 of the 193 products identified, and Life-Assist was low bidder on 46 of the 193 products.

Staff decided to award to both suppliers. An award to both ensures the City is getting the best price for each product. Both suppliers are amenable to splitting provision of the products. Additionally, Bound Tree Medical and Life-Assist are well-known and well-respected for the products they provide to other agencies. Both companies have supplied products to the City for more than 10 years and have been reliable providers at competitive pricing.

On January 5, 2021 Council approved the resolution directing the City Manager or designee to process purchase orders with Life-Assist and Bound Tree with an initial term of January through June 2021 and five (5) one year options to renew tracking the July to June fiscal year, ending in 2026, for up to 5-year, 6-month agreements with each provider. This approval was not to exceed \$500,000 annually for both vendors combined, or not to exceed \$2,500,000 for the roughly 5-year term.

Staff is requesting an increase to the annual purchase amounts, as well as the overall purchasing maximum for the period of the agreement. The Ambulance Transport System (ATS) is currently entering its 11<sup>th</sup> month of operation and staff is able to develop trends based on actual data rather than projected and estimated data that was provided by the previous contractor.

When the annual estimated medical supply costs were previously presented, the Fire Department was utilizing limited information that was provided by our previous contractor to draft annual estimated costs. Now that the system has been in operation for over ten months, the need has been identified to increase the annual allowed medical supply purchase of \$500,000, as well as the overall not to exceed amount for the term of \$2,500,000. Staff is requesting to increase the annual medical supply purchasing between Bound Tree and Life-Assist to \$1,000,000 annually, not to exceed \$5,000,000 over the agreement period.

There are several items contributing to the need to increase this amount. The first item is the limited estimated data that was provided by the previous contractor. After reviewing this information against our actual expenses that have been incurred since the ATS program launched, the Fire Department has found that the estimated medical supply costs were undervalued compared to actual supply ordering needs. Additionally, the system has been averaging, on a monthly basis, an increase in call volume when compared to what the system was originally budgeted for. The system was originally built estimating an average of 48 transports per day. Since the program start date of April 9, 2021, the system has averaged 53 transports per

day, with some months averaging 57 transports per day, and no month falling below 50 transports per day threshold. An increase in call and transport volume leads to an increase in supply usage while on calls for service. The increase of the annual medical supply purchase maximum will allow the Fire Department additional capacity to purchase medical supplies over the term of this agreement if we continue to see annual increases in call volume and transports.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

#### **CURRENT-YEAR FISCAL IMPACT**

There are no general fund costs associated with this contract for medical supplies. This agreement will be funded by the Transport Enterprise fund (410728). The cost for the increased medical supply needs are being absorbed by the existing fiscal year budget.

#### **ONGOING FISCAL IMPACT**

There are no general fund impacts from ongoing supply ordering. These purchases are paid for from the cost recovery process for the emergency ambulance transport system. The annual cost will not exceed \$1,000,000 and the roughly 5-year term will not exceed \$5,000,000.

#### **ATTACHMENTS**

None.

*Staff Contact: Emily Folker, Harry Muns, Raymond Smith*