



Legislation Text

File #: Ordinance 35-2016, **Version:** 2

Agenda Date: 12/06/2016

Subject:

An ordinance on second reading approving a five-year agreement with Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation.

Presented By: Doug Farnen, Finance Director

POLICY QUESTION:

Does city council support a five-year agreement with Advanced Data Processing, Inc. a subsidiary of Intermedix Corporation, for emergency medical transport billing services?

BACKGROUND:

The city has been utilizing Intermedix for emergency medical transport (ambulance) billing services since 2003.

Medical transport services were competitively bid in August 2012 and Intermedix was awarded the two-year agreement. Due to good collection results and customer service, a new two-year contract was approved in August, 2014. In September, 2016, the finance and fire departments issued a Request for Proposals (RFP) for billing services. The city received seven responses and interviewed three firms. After considerable deliberation and reference checks, staff is recommending that Intermedix continues providing these services. Intermedix has exhibited excellent patient customer service, high-quality reporting, and above average collection results compared to the market average. Through the competitive bidding process, the proposed agreement includes improved pricing of \$21,900 per year.

Section 103 of the city charter limits contracts for services to two years, unless authorized by ordinance. Section 97 of the charter excludes professional services from bidding requirements; however, due to the length of previous, successive contracts, staff determined it was time for re-solicitation of these services.

STAFF ANALYSIS:

Intermedix Corporation's collection rate of 3.9% (fee paid by the city) was the lowest bid received from the three finalist firms. Due to the time commitment from finance and fire staff in completing, processing, reviewing and selecting a firm, with the fact this is an attractive rate from a highly qualified company, city staff is recommending a five-year contract. Staff has a good, longstanding working relationship with Intermedix and finds no reason this shouldn't continue. If a problem arises and cannot be resolved, the contract includes termination clauses for cause and without cause.

If a five-year contract is not approved, the city will enter a two-year contract with Intermedix, and staff would evaluate their services at the end of the term. The main reason staff is recommending the five-year term is to lock in the attractive collection rate fee.

FISCAL IMPACTS:

The contract is estimated to save the city \$21,900 annually (14%) and over \$114,000 during the contract term (includes 2% growth) in the Emergency Medical Transportation Enterprise Fund.

STAFF RECOMMENDATION:

Staff recommends approving the ordinance on second reading.

There is a redline attachment that includes minor language modifications required by the city attorney.

PROPOSED MOTION:

I move to approve on second reading the ordinance approving a five-year agreement with Advanced Data Processing Inc., a subsidiary of Intermedix Corporation for emergency medical transport billing services.