

CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
FIRE DEPARTMENT AND FINANCE DEPARTMENT

TO: Mayor and City Council

FROM: Milo Nitschke, Director, Finance Department
Robert Ojeda, Fire Chief

THROUGH: Terry M. Brechtel, City Manager

COPIES: Christopher J. Brady, Assistant City Manager; Melissa Byrne Vossmer, Assistant City Manager; Management Team; Mario Guerra, Assistant Fire Chief; Gary Johnson, Tax Assessor-Collector; File

SUBJECT: Contract to Provide Billing and Collection Services for EMS Fees

DATE: September 23, 2004

SUMMARY AND RECOMMENDATION

This ordinance authorizes the execution of a contract with Business and Professional Service (B&P) to provide the billing and collection of Emergency Medical Services (EMS) fees for a five (5) year period, beginning October 1, 2004, and ending September 30, 2009, at a fixed fee of ten and nine-tenths percent (10.9%) of net collections. Additionally, B&P will guarantee an effective collection ratio of at least sixty-two and one-half percent (62.5%) 12 months from the date of aid and/or transport.

Staff recommends approval of this ordinance.

BACKGROUND

The current contract for the billing and collection of EMS fees expires September 30, 2004. A comprehensive request for proposal (RFP) was jointly developed and issued by the Finance and Fire Departments in March 2004. All phases of the RFP development and solicitation were coordinated with the Contract Services Division of the Asset Management Department. The RFP marketing and outreach effort included:

- Advertised in *San Antonio Express-News* on Sunday, March 14, 2004;
- Posted on *EMS Magazine* website on Monday, March 15, 2004; and
- Posted on City of San Antonio website on Monday, March 15, 2004.

A total of twenty-three (23) firms from throughout the United States requested copies of the RFP. A pre-proposal conference was held on March 26, 2004 with representatives of seventeen (17) firms in attendance. A total of eight (8) firms submitted proposals in response to the RFP by the April 16, 2004 deadline. However, one (1) proposal (American Medibanc) was deemed non-responsive due to failure to comply with the proposed term of the contract and one (1) proposal (iLLant Medbill, Inc.) was disqualified due to failure to comply with the requirements regarding restrictions on communications with City staff.

A City staff evaluation committee comprised of representatives of the City Manager's Office, Finance, Fire, Management & Budget, Health, Economic Development, Municipal Courts, Information Technology Services and Asset Management was convened on May 21, 2004, with the goal to short list the six (6) respondents detailed below for a personal presentation.

<u>Respondent</u>	<u>Headquarters</u>
Accordis, Inc.	New York, NY
Advanced Data Processing	Miami, FL
Alexander Billing & Consulting, Inc.	San Antonio, TX
Business & Professional Service	San Antonio, TX
Curry Adkins Cook	El Paso, TX
Southwest General Services	Dallas, TX

The evaluation committee reviewed proposals for: (1) compliance with RFP requirements; (2) responsiveness to RFP; (3) technical capabilities; and (4) background and capability to provide services. Additionally, the Economic Development Department reviewed the proposals for: (1) local business enterprise; (2) historically underutilized enterprise; and (3) compliance with the City's SBEDA policy. Based on the initial evaluation (Attachment A), the following two firms were selected for personal presentations:

- Business & Professional Service; and
- Southwest General Services

Oral presentations were made to the evaluation committee members on August 2, 2004 and August 4, 2004. Subsequent to the oral presentations, the evaluation committee completed a second scoring (Attachment B) and recommends the contract be awarded to B&P based on the following facts:

- B&P received the highest number of points (85.31) by the evaluation committee;
- B&P has been in the business of medical collections for over seventy (70) years and has twelve (12) years of EMS billing and collection experience;
- B&P is locally owned company with 52 employees in San Antonio;
- B&P is knowledgeable and experienced in Medicare/Medicaid claims processing, including electronic filing and third party billing procedures;
- B&P computer and software capabilities is able to manage the current and future EMS case loads and has an internal data processing staff capable of providing immediate modifications to meet City's requirements;
- B&P financial guarantee (\$100,000 Certificate of Deposit) was rated the strongest;

- B&P was rated the most financially secure firm with the highest liquidity ratio (total assets to total liabilities);
- B&P proposal meets the City's SBEDA policy guidelines; and
- B&P has had the collection contract for the past twelve years. They have proven to be a responsible and professionally staffed collections firm who has complied with the current contract requirements. Additionally, Agreed-Upon Procedures were performed by Garza/Gonzalez and Associates for the period of October 1, 2002 through June 30, 2004 with no significant findings reported.

While ranked the best overall on issues outlined above, B&P's proposal lost points on their pricing structure at eleven and two-tenths percent (11.2%) of net collections. This compares to a low of six percent (6.0%) to a high of fifteen percent (15.0%). Accordingly, B&P has agreed to lower their fee by three-tenths percent (0.3%) to ten and nine-tenths percent (10.9%). B&P will also guarantee an effective collection ratio of sixty-two and one-half percent (62.5%) 12 months from the date of the aid and/or transport. The City's collateral for this guarantee will be a security interest in a \$100,000 Certificate of Deposit.

POLICY ANALYSIS

This Ordinance complies with the requirement to obtain City Council authorization for expenditures of funds in excess of \$25,000 for professional services.

FISCAL IMPACT

The proposed contract specifies a contractor's fee of ten and nine-tenths percent (10.9%) of the net amount of EMS fees collected. Based on the FY 2005-09 Financial Forecast, the table below details the estimated fee to be paid to B&P over the five year term of the contract:

<u>Contract Period</u>	<u>Estimated Contractor Fee</u>
10/01/04 - 09/30/05	\$ 1,199,255
10/01/05 - 09/30/06	1,246,744
10/01/06 - 09/30/07	1,326,272
10/01/07 - 09/30/08	1,358,510
10/01/08 - 09/30/09	<u>1,329,089</u>
Total	\$ 6,459,870

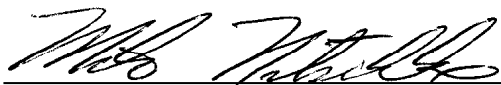
COORDINATION

This item has been coordinated between the following departments: City Manager's Office, Finance, Fire, Management & Budget, Health, Economic Development, Municipal Courts, Information Technology Services, Asset Management and the City Attorney's Office.

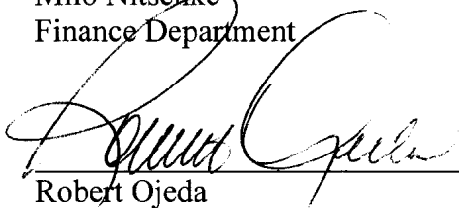
SUPPLEMENTAL COMMENTS

The requirements of the City's Ethics Ordinance are attached.

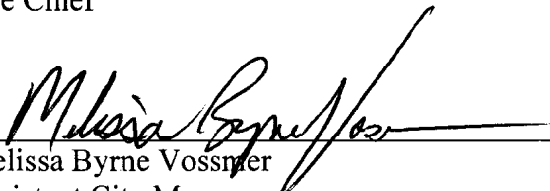
SIGNATURES



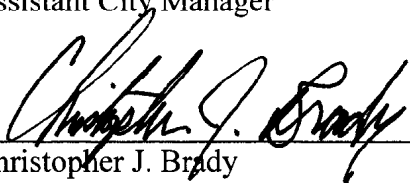
Milo Nitschke
Finance Department



Robert Ojeda
Fire Chief



Melissa Byrne Vossmer
Assistant City Manager



Christopher J. Brady
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager

Attachment A
Initial Evaluation Matrix

	Accordis, Inc.	Advanced Data Processing	Alexander Billing & Consulting	Business & Professional Service	Currey Adkins Cook	Southwest General Services
Responsiveness to RFP - 5 Pts.	4.22	3.44	2.56	4.86	3.32	4.57
Technical Capabilities & Innovations - 10 Pts.	9.33	9.11	7.44	9.86	7.67	9.86
Pricing Schedule - 30 Pts.	19.12	28.72	19.27	19.89	12.48	22.71
Background & Capability to Provide Services - 35 Pts.	28.56	29.11	21.11	33.86	24.33	28.71
Total Technical Points	61.23	70.39	50.38	68.46	47.81	65.85
Local Business Enterprise – 10 Pts.	0.00	0.00	10.00	10.00	0.00	5.00
Historically Underutilized Enterprise – 5 Pts.	0.00	0.00	1.40	2.10	0.00	2.50
Compliance with SBEDA Policy – 5 Pts.	1.00	1.00	4.00	4.00	1.00	5.00
Total Score	62.23	71.39	65.78	84.56	48.81	78.35

American Medibanc (Denver, CO) proposal was deemed non-responsive due to failure to comply with the proposed term of the contract.

iLLant Medbill, Inc. (Tampa, FL) proposal was disqualified due to failure to comply with the requirements regarding restrictions on communications with City staff.

Attachment B
Final Evaluation Matrix

	Business & Professional Service	Southwest General Services
Responsiveness to RFP - 5 Pts.	4.67	4.83
Technical Capabilities & Innovations - 10 Pts.	9.98	9.98
Pricing Schedule - 30 Pts.	19.89	22.71
Background & Capability to Provide Services - 35 Pts.	34.67	31.67
Total Technical Points	69.21	69.19
Local Business Enterprise – 10 Pts.	10.00	5.00
Historically Underutilized Enterprise – 5 Pts.	2.10	2.50
Compliance with SBEDA Policy – 5 Pts.	4.00	5.00
Total Score	85.31	81.69

G. Discretionary Contracts Disclosure
(RFP Attachment F)

City of San Antonio
Discretionary Contracts Disclosure*

*For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2
Attach additional sheets if space provided is not sufficient.
State "Not Applicable" for questions that do not apply.*

This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

Thomas R. Benesch, President

(2) the identity of any **business entity** that would be a party to the discretionary contract:

**Medical-Dental-Hospital Bureau of San Antonio, Inc
DBA/ Business & Professional Service**

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

Not Applicable

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Not Applicable

* A **business entity** means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

(3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Not Applicable (None)

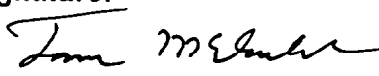
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Not Applicable (None)		

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Not Applicable (None)		
Signature:  Thomas McDonald	Title: <u>Vice-President, Operations</u> Company: <u>Business & Professional Service</u>	Date: <u>April 16, 2004</u>

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

H. Litigation Disclosure
(RFP Attachment G)

LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.