

# Agenda Report

November 21, 2011

**TO:** Honorable Mayor and City Council

**FROM:** Director of Finance

**SUBJECT: AUTHORIZATION TO EXECUTE A CONTRACT WITH WITTMAN ENTERPRISES, LLC FOR PARAMEDIC BILLING SERVICES FOR AN ANNUAL AMOUNT OF \$240,000**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the City Manager to execute a five-year contract with Wittman Enterprises, LLC, for paramedic billing services. The estimated annual fee will be approximately \$240,000 per year and is based on 5.25 percent applied against net receipts. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002(F), Contracts for Professional or Unique Services; and
2. Grant the proposed contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interest is served.

## **BACKGROUND:**

In December 2008, the Department of Finance, in conjunction with the Fire Department, undertook a competitive selection process to outsource paramedic billing and electronic Patient Care Reporting (ePCR) services for the City. At that time, a total of five proposals were received and evaluated. In July 2009, ACS State & Local Solutions, Inc. (ACS) was awarded a contract to administer these services with an initial term of five years.

Since February 2010, ACS has been billing City paramedic service and providing ePCR services to the City with a retroactive date of November 1, 2009 for billing services. From inception of the contract with ACS both the billing and ePCR systems have not performed as expected or as required by the contract. While the City has worked diligently to resolve many issues, full resolution has not been achieved. Annualized revenue projections based on the first four months of the current fiscal year are falling about a million dollars short of projections. In order to bring revenue collection rates

back up to expectations, the decision has been made to move on to another provider. As of June 30, 2011, the current outstanding accounts receivable thru ACS stands at just over \$5 million with approximately 11,000 open accounts.

Pursuant to the Termination for Convenience clause of the contract (Section 9.17), the City issued a written notice to ASC on November 10, 2011, giving ACS a thirty calendar day notice of the City's intention to terminate the contract.

As a result of the more complex issues surrounding correction of the ePCR system and in an effort to ensure that revenue collections are maximized, staff recommends that a new billing contractor be hired independently from the ePCR contractor. Staff requested revised pricing and updated offerings from the top three proposers from the original solicitation and evaluation in 2009. Upon review of the revised pricing and proposals, staff is recommending that the City Council authorize the City Manager to approve the execution of a new contract with Wittman Enterprises, LLC for City billing services. Immediately contracting with Wittman Enterprises, LLC will help minimize ambulance billing revenue loss.

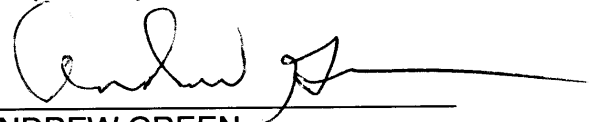
Wittman Enterprises, LLC is a full service billing agency. With over twenty years of experience in California, they are able to navigate the complicated laws and regulations that govern paramedic billing. They currently provide billing services to Burbank, Glendale, and numerous other California cities.

In conjunction with reevaluating the updated offerings, staff reviewed the hardware and software available for electronic patient care reporting and determined that additional time is needed prior to making a recommendation. The Fire Department and DoIT will work together to evaluate and select the next ePCR solution. In the interim, the City will revert to the Los Angeles County paper forms.

**FISCAL IMPACT:**

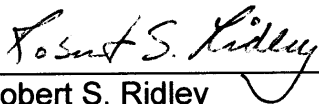
The cost of this action will be approximately \$240,000 annually for five years and is based on a percentage of net collections. Funding for this action will be addressed by an existing appropriation in the amount of \$240,000 in account 8114-101-952149, Non-Departmental Other Contract Services. Indirect and support costs such as maintenance and IT support are anticipated to be zero.

Respectfully submitted,



ANDREW GREEN  
Director of Finance

Prepared by:



Robert S. Ridley  
Controller

Concurred by:



CALVIN WELLS  
Interim Fire Chief

Approved by:



MICHAEL J. BECK  
City Manager

Attachments: (1)

Attachment A – Taxpayer Protection Amendment Disclosure

**Disclosure Pursuant to the  
City of Pasadena Taxpayer Protection Amendment  
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

*(If printing, please print legibly. Use additional sheets as necessary.)*

**1. Contractor/Organization Name:** Wittman Enterprises, LLC

**2. Type of Entity:**  
 non-government     nonprofit 501(c)(3), (4), or (6)

**3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

<u>Corinne Wittman-Wong</u>
<u>Walter Amboden</u>
<u>David Wittman</u>
<u>Kathryn Wolf</u>
<u>Dona Wittman</u>

**4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

<u>Corinne Wittman-Wong</u>
<u>Walter Amboden</u>
<u>David Wittman</u>
<u>Kathryn Wolf</u>

Prepared by: Corinne Wittman-Wong

Title: CEO

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Date: 11-7-11