



SUMMARY REPORT

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**Agenda Date:** 3/23/2021

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**To:** Board of Supervisors of Sonoma County  
**Department or Agency Name(s):** Department of Health Services  
**Staff Name and Phone Number:** Barbie Robinson, 565-7876  
**Vote Requirement:** Majority  
**Supervisorial District(s):** Countywide

**Title:**

Emergency Medical Services Exclusive Operating Agreement Request for Proposal (RFP) Requirements

**Recommended Action:**

- A) Approve the expansion of the Exclusive Operating Area to incorporate the West County community of Occidental and adjacent areas formerly supported by Falck Ambulance and the Northern County areas currently support by Bell's Ambulance Services (Bells).
- B) Approve the RFP for submission to California Emergency Medical Services Authority (EMSA).

**Executive Summary:**

This item requests approval of Sonoma County Exclusive Operating Area #1 (EOA 1) for the purposes of submitting the RFP to the State for approval based on the provision of Sonoma County Code section 28-17 adopted by the Board on November 12, 2019. The item will summarize the statutory requirements associated with the creation of EOAs and the process undertaken by staff to meet this obligation, including the significant stakeholder engagement conducted with EMS system partners, Sonoma County Department of Health Services leadership and the EMS Ad Hoc committee of the Sonoma County Board of Supervisors.

The EMS Ad Hoc recommends that the EOA territory be expanded to incorporate the West County community of Occidental and the surrounding area that is currently without a designated service provider since the departure of Falck Ambulance in June 2020. The EMS Ad Hoc also recommends the EOA be expanded to include the response zone currently served by Bell's including the Town of Windsor, City of Healdsburg and the Geyserville area as well as communities of Alexander Valley and Knight's Valley.

**Discussion:**

Division 2.5 of the California Health and Safety Code (HSC) "the EMS Act" § 1797.224 allows Local EMS Agencies (LEMSAs) to enter into formal agreements for provision of ambulance service through the creation of Exclusive Operating Areas (EOAs). HSC 1797.224 states:

*A local EMS agency may create one or more exclusive operating areas in the development of a local plan, if a competitive process is utilized to select the provider or providers of the services pursuant to the plan. No competitive process is required if the local EMS agency develops or implements a local plan that continues the use of existing providers operating within a local EMS area in the manner and scope in which the services have been provided without interruption since January 1, 1981. A local EMS agency which elects to create one or more exclusive operating areas in the development of a local plan shall develop and submit for approval to the authority, as part of the local EMS plan, its competitive process for selecting providers*

*and determining the scope of their operations. This plan shall include provisions for a competitive process held at periodic intervals. Nothing in this section supersedes Section 1797.201.*

Sonoma County designates the Department of Health Services as the LEMSA for Sonoma County. Within the Department, EMS Agency functions are the responsibility of Coastal Valleys EMS Agency which is organized within the Public Health Division of the Department. Sonoma County will be conducting its fourth request for proposals (RFP) since developing an exclusive operating area (EOA) in 1991. The existing EOA serves the cities of Santa Rosa, Sebastopol, Rohnert Park, Cotati, and the surrounding unincorporated areas. The current emergency ambulance agreement has been extended to June 30, 2022.

The County's EMS system participants: fire departments, ambulance providers, hospitals, and community leaders were provided an opportunity to provide input into the next ambulance RFP. Although the EOA as currently designated covers the densely populated center of the County, and the majority of Sonoma County's 911 calls occur within that zone, much more of the geography of Sonoma County is outside of the EOA. The EOA is surrounded by a mix of provider agencies including city and district fire service providers that provide ambulance service, a community services district and a healthcare district as well as two private ambulance services. The agencies that provide service to their local communities rely on each other for mutual support and routinely collaborate with their neighbors on system issues that affect the entire County. Coastal Valleys EMS Agency (CVEMSA) and the Department of Health Services created an Emergency Medical Services EOA Development Project committee in early 2018. The purpose of the committee was to receive input from interested stakeholders on the proposed structure of the LEMSA's RFP. The goal is to inform the development of the RFP for Advanced Life Support (ALS) and emergency medical services within the Sonoma County EOA. The committee also provided valuable input into an updated EMS System Ordinance. Oversight of the ordinance revision process was provided by an EMS Ad Hoc committee established by the Sonoma County Board of Supervisors. The EMS Ad Hoc met regularly with Department leadership and EMS Agency staff to provide guidance and policy direction. The Ordinance was adopted by the Sonoma County Board of Supervisors in November 2019.

Sonoma County Department of Health Services requested the services of EndPoint EMS Consulting, LLC (EndPoint) in October 2019 to assist CVEMSA and the County in completing the stakeholder process, produce an RFP, and assist in the negotiations of an agreement with the successful proposer. EndPoint mapped out a three-phase process to achieve the goals of the County. Phase One comprises a high-level system assessment and stakeholder input process. Phase Two, the ambulance EOA procurement process, and Phase Three develop a contract for services with the awarded provider. Endpoint completed Phase One in July of 2021 and based on stakeholder input and deliberations with Sonoma County Board of Supervisors' EMS Ad Hoc committee and Department of Health Services leadership and EMS Agency staff have developed a draft RFP for Consideration by the full Board of Supervisors.

In the process of working with stakeholders and county staff, a number of key areas of stakeholder interest were identified by the consulting team. In the RFP input sessions, Stakeholders expressed support for a more inclusive range of potential vendors to include public agencies seeking to complete, allowing for subcontracting of portions of the service delivery by the winning bidder and potential expansion of the EOA boundary. Advances in technology and the ability to leverage EMS data to drive quality improvement were also areas of interest to both stakeholders and staff. Setting expectations for clinical performance in addition to response time performance formed part of the conversation with stakeholders. Finally limiting the exclusivity of the EOA to emergency ambulance services while allowing non-emergency ambulance services to market services to health system partners was a view shared by our hospital systems. These areas of interest

for improving the system were supported by the EMS Ad Hoc and were incorporated into the draft RFP.

The EMS Ad Hoc committee has expressed support for the terms, conditions, and performance expectations we propose in the draft RFP.

### **GENERAL OVERVIEW OF THE RFP**

In Phase Two of the project, the consulting team worked to incorporate the stakeholder feedback, regulatory requirements and industry best practices into a modern RFP to serve the Sonoma County communities covered by the EOA. Here are some highlights.

- 1) The successful Proposer will be granted a contract for exclusive market rights for 9-1-1 emergency ALS ambulance transport services for an initial period of 5 years with an additional 5 years based on performance.** A total term of ten years is common in the industry and has been the practice locally in Sonoma County. Such a term allows for investment in the system and encourages the vendor to become part of the community it serves. Employee retention is encouraged if the contractor's employees know they have an employer with a stable future in the community.
- 2) The RFP evaluation process follows the procedures prescribed in Sonoma County Code for the competitive EOA process.** This includes a multidisciplinary team chosen from outside of Sonoma County system providers. Due to the high economic and political stakes in the competitive process, keeping local providers and regulators separate from the proposal evaluation helps keep the process transparent and free from bias, actual or perceived.
- 3) Contract will be awarded to the respondent who submits the most advantageous proposals with the best value to the County.** One common metric used to determine value is ambulance rate structure. While this remains a key factor, proposers may offer added value in other innovative programs as well as exceptional clinical quality. These factors should be considered by the evaluation process to ensure the county receives the best vendor rather than the cheapest rate.
- 4) EOA 1 includes Occidental area currently without a designated ambulance service provider.** Expansion of the EOA to incorporate the West County community of Occidental and the surrounding area that is currently without a designated service provider has been supported by the surrounding EMS providers as well as the local Fire Districts and the EMS AdHoc committee. Beyond the Occidental expansion, potential exists to expand the EOA further to encompass the response zone currently served by Bell's including the Town of Windsor, City of Healdsburg and the Geyserville area as well as communities of Alexander Valley and Knight's Valley. Details regarding the recommendation for inclusion of these areas is provided below.
- 5) Exclusive for 911 or emergency EMS calls only.** Critical care and inter-facility transports in the EOA area will remain an open market service. Non-emergency ambulance service is a crucial part of health care delivery, but unlike emergency ambulance service, factors such as cost, provider networks and free market economics may be considered by consumers at the time of service. The RFP for ground emergency ambulance services does not attempt to include such services in the regulated monopoly for 911 responses.
- 6) Allows for a future Behavioral Health program utilizing Paramedics partnered with behavioral health clinicians.** EMS systems across the nation and in some California communities are increasingly engaged in programs that provide alternate response to Behavioral Health emergencies. Paramedics can offer a wide range of diagnostic tests and draw on clinical training to assist in determining if a patient is exhibiting

signs of a physiological condition. Teaming paramedics with Behavioral Health clinicians prepared to assess and intervene if the patient is experiencing a behavioral health crisis, can offer an opportunity to determine likely cause and most appropriate intervention. The selected vendor should be prepared to collaborate in the development of such programs as opportunities to partner become available.

- 7) Provides additional evaluation points for advanced clinical and all-risk training for ambulance staff.** Stakeholders stressed and the County recognized that due to recurrent wildfires across our county and region, as well as due to the rural nature of parts of the county, ambulance crews may engage in operations in areas with hazards beyond the typical EMS field setting. Rescue operations and firefighting are settings that cross discipline boundaries. Additionally, the advent of Community Paramedic programs offer the potential for expanding the role of paramedics beyond care and transportation in ways that may be beneficial to homebound and rural residents. Stakeholders felt such skills and capabilities should be considered for additional consideration as value-added points in a comparative review of proposals.

### **Minimum Qualifications**

Industry standards for EMS system RFPs typically pre-screen prospective proposers through minimum experience and financial capabilities designed to ensure the proposers have a proven track record of serving similar EMS systems. In Phase One of the project, Sonoma County Fire Services providers expressed interest in participating in the competitive process and voiced concern that the traditional industry benchmarks would eliminate their opportunity to submit collaborative or innovative proposals for consideration. Therefore while the desired minimums were included to provide context for what level of capability and capacity the County desires, public services may demonstrate their ability through other means, and will not be eliminated from consideration solely based on area served or number of years providing ambulance services, or having a history of providing ambulance services in any manner. Sonoma County Code does require the evaluation of proposals to consider the proposers' capability and capacity to meet the requirements of the RFP. And this requirement is applicable to all proposers, public or private.

- (1) Five years providing 9-1-1 ALS transport services similar to those of Sonoma County. Proposer may demonstrate capability in lieu of this experience.
- (2) Provide 5 years audited financial statements. If the Proposer is a Public entity must provide year-end financial statements for the last three years.
- (3) If Proposer does not have mandated response times in its area, Proposer must submit documentation demonstrating it has the knowledge and expertise to comply with mandated response times.
- (4) Documented proof of availability to measure and achieve compliance with Clinical Performance Standards.

### **Subcontracting**

During the listening session with stakeholders, public service providers strongly supported the RFP permitting the vendor to subcontract with other agencies to provide the services required in the contract. Such an arrangement could include all ambulance transportation, maintenance services or any other services the proposer does not choose to provide with its own staff. Responsibility for any services and performance of the vendor's subcontractors remains with the entity awarded the exclusive contract.

RFP allows the Proposer to subcontract ALS ambulance transport services within EOA 1.

### **Insurance Requirements**

Standard insurance minimums with allowance of a public self-insured status that provides for similar coverage or assurance of coverage consistent with requirements.

### **Performance Security**

Proposer to obtain performance guarantee equivalent to six (6) months operating expenses in the form of cash or letter of credit or performance security bond. If the Proposer is a governmental entity, the County will waive the performance bond requirement.

### **Scope of Work**

The proposed RFP maintains many of the current requirements that are in place to monitor system performance, but also includes new features based on available technology and/or current understanding of best practices. Many of the improvements were made after receiving stakeholder input regarding what works in the current system and what can work better. Some of the key features are listed below:

- (1) **No change in response time standards from current contract.** Based on feedback from stakeholders the current response time requirements and compliance zones are unchanged from the existing EOA agreement within the area currently under exclusive contract.
- (2) **Proposer must provide a suite of programs to monitor and analyze patient care data, identifying deviations rapidly, consistently, and automatically.** The County recommends the FirstWatch First Pass system to allow the contractor to monitor clinical and operational performance and to allow for EMS Agency oversight of contractors' performance. Other systems may be proposed.
- (3) **Provider to reimburse the County for County's expenses in oversight, monitoring and managing the Agreement and for Medical Direction.** Including LEMSA staff time, portion of electronic patient record system, First Watch Online Compliance utility to track response time performance and county administrative costs associated with the program.
- (4) **Enhanced Clinical Performance Standards.** To be developed in collaboration with LEMSA Medical Director, provider agency medical director and EMS system stakeholders. Clinical benchmarks to change over time based on data collected and best practices for medical care.
- (5) **Continues the partnership with the City of Santa Rosa for First Response ALS (FRALS) services.** Current EOA provider funds City of Santa Rosa for provision of first response paramedic services. This partnership allows the EOA contractual requirement for first ALS resource to be satisfied by a Fire Department paramedic and extend the on-scene time expectation for an ALS Ambulance. RFP makes continuation of the currently optional program a contract requirement for the vendor.
- (6) **Provides no cost restock to fire departments for medical supplies used on a patient.** Ambulance services may bill patient insurance for supplies used to care for patients; such supplies if provided by a first response department are to be restocked by the EOA contractor at no cost to the first response department.
- (7) **Mechanisms to meet the demand for ambulance response during peak periods or unexpected periods of unusually high call volume including disasters.** While ambulance service demand can be anticipated and planned for under normal circumstances, there are always variations in both volume of calls and staffing available to respond. The proposer must show they are prepared to avoid degrading service to the community. Additionally our region has proven to be prone to natural disasters. Proposers must describe their plan for responding in disaster situations when resources are limited and demand is

higher than projections for normal operations.

- (8) **Ambulances must be configured to meet the safety and ergonomic needs of employees.** In listening session with stakeholders, ambulance service employees raised concerns about the adequacy of ergonomic seating and visibility in some ambulance vehicles. The proposer should identify their process for engaging with employees to ensure the diversity of the workforce needs are considered when changing vehicle platforms or equipment.
- (9) **Power lift gurneys with additional bariatric capability for patients up to 1,000 lbs.** Modern ambulance gurneys raise and lower with battery powered motors to avoid patient drops and employee injury.
- (10) **Proposer encouraged to preferentially hire the incumbent paramedic and EMT workforce.** Many of the current employees of the EOA contractor are longtime residents and homeowners in Sonoma County. Employees that work, live and raise families in our community have a deep abiding commitment to serving friends and neighbors as they would want their families served. Long-term service also brings familiarity with the area served and encourages understanding of the challenges faced by the community. Proposer should make a strong effort to recruit and retain our local providers who are assets to our patients.
- (11) **Monitors the use of Mutual Aid.** During both EMS Ordinance revision and RFP stakeholder listening sessions, service providers outside the EOA expressed concern about the equitable exchange of mutual support between jurisdictional responders. The selected provider must ensure that they are not relying on outside mutual aid for routine coverage of the area for which they have an exclusive operating area agreement. Mutual aid is a reality of EMS response as every agency is at times overburdened with responses, but the exchange should be equitable and reasonable.

**FINANCIAL REPORTING**

- 1) Contractor to provide quarterly system reports to include revenue and system expenses and year-end audited financial reports.
- 2) Provide Financial Hardship Policy for patients without medical insurance and who have limited financial capacity.

The Contractor will pay the following service charges as estimated below annually:

<b>Estimated Annual Services</b>	
EMS Agency Oversight & Monitoring Services	\$600,000
FirstWatch, OCU, FirstPass Annual	\$55,000
FirstWatch, OCU, FirstPass Initial	\$140,000
REDCOM	\$1,450,000
ALS First Responder Services (approx.)	\$425,000
Selected Contractor One Time Initial Charge	\$200,000

**EOA Northern Expansion - History of Bell's**

Bell's is a private, family-owned ambulance company with a long history of operating within the communities of Healdsburg and Windsor since 1956. Bell's provides 911 Advanced Life Support ambulance response within

their designated area in the Local EMS Agency EMS Plan in accordance with the provisions of Sonoma County Code chapter 28.

Bell's currently operates under a historic approval that does not include a contract for services with the County, a service provider agreement or permit to operate. The company is required to follow LEMSA policy and procedures as well as relevant state rules, but is not under a systematic performance monitoring process comparable to EOA 1.

Division 2.5 of the California Health and Safety Code (HSC) "the EMS Act" § 1797.224 allows Local EMS Agencies (LEMAs) to enter into formal agreements for provision of ambulance service through the creation of Exclusive Operating Areas (EOAs). § 1797.224 states:

*No competitive process is required if the local EMS agency develops or implements a local plan that continues the use of existing providers operating within a local EMS area in the manner and scope in which the services have been provided without interruption since January 1, 1981.*

Sonoma County has previously deliberated on the inclusion of the Bell's service area into the competitively awarded EOA for many years. The following represents a summary of these deliberations:

- Bell's approached the EMS Agency in (2008) with a request to formalize their services area through a non-competitive EOA agreement. Bell's is eligible for the award of a grandfathered EOA agreement as defined in HSC 1797.224. Bell's was unable to commit to the requirements of a performance-based ambulance EOA Agreement. Negotiations reached an impasse, and Bell's continued to operate in the same manner and scope as the designated provider within their response zone without a contract.
- In 2018, Bell's requested the award of an exclusive contract for their service area. The company provided letters of support from Town of Windsor and City of Healdsburg. Supervisor Gore also expressed support for Bell's entering into a formal agreement. At the time of the request, the LEMSA was actively working with EMS system stakeholders on the revision of the county ordinance. CVEMSA advised Bell's negotiations could only occur after the ordinance had been updated and approved by the County Board of Supervisors.

The Sonoma County Board of Supervisors established an EMS Ad Hoc committee to guide Department of Health Services leadership and LEMSA staff during the EMS Ordinance development and ambulance services RFP process. The issue of expanding geographic area of the EOA required the EMS Ad Hoc groups input. During these discussions, the EMS Ad Hoc supported expanding the current EOA into the community of Occidental and adjacent area due to the loss of the current ambulance provider.

The Ad Hoc group also discussed Bell's desire to continue serving its community and directed staff to coordinate with Bell's and Supervisor Gore to identify a solution. CVEMSA began working with Bell's to establish a performance agreement with the understanding that this must be done through standard performance agreement, in contrast with the best-effort performance they may provide today. It was understood, if a contract was not successfully negotiated than this geographic area should be included into an expanded EOA 1.

During contract negotiations, the EMS Ad Hoc was informed that a performance contract would require the establishment of a separate EOA that would award an exclusive operating area contract based on eligibility as a grandfathered 1797.224-eligible entity. The EMS Ad Hoc was informed that Bell's ability to compete successfully against larger providers in a competitive RFP process is uncertain and If Bell's is not awarded a separate EOA under 1797.224 it would represent a potential closure of the family business and financial

hardship.

**Recommendations:**

Exclusive operating areas (EOA) are developed to include populated urban areas that are often more profitable than rural areas with low call volume. EOAs ensure equitable emergency ambulance coverage. Bell’s ability to properly service this territory under a full performance contract is uncertain. CVEMSA has no data regarding Bell’s performance to make a determination about their potential performance.

Given the work that staff and the EMS Ad Hoc have undertaken to develop a robust RFP that will identify a provider through a competitive process, the EMS Ad Hoc recommends that the areas of Windsor, Healdsburg, Geyserville, and the surrounding unincorporated areas be incorporated into a new expanded EOA 1 as part of the next ambulance service RFP. The reason for the recommendation includes: (1) it will create the most consistent service delivery between the areas, and have the largest economy of scale effect; and (2) the expanded EOA ensures the area is under a performance-based contract with a vendor that that was selected through a public competitive process as opposed to relying upon a separate negotiation.

**Alternatives to Staff Recommendations**

Given the history of Bell’s years of services and past support from Healdsburg and Windsor, should the Board desire to maintain Bell’s as the ambulance provider in these areas, the Board can direct staff to complete negotiations of a contract with Bell’s that would establish a second EOA through the grandfathering process provided in Health and Safety Code 1797.224.

Alternative 1- Contract with exclusivity dependent on current ownership; sale results in loss of exclusivity.

Alternative 2- Contract exclusivity retained upon sale. Staff will need additional Board direction on what rights (if any) Bell’s can transfer should they sell the business to a new operator.

**Prior Board Actions:**

On October 22, 2019 the Board approved an agreement with Endpoint EMS Consulting, LLC for subject matter expertise and support in developing a request for proposals for an exclusive provider of emergency ground ambulance services in an amount not-to-exceed \$161,000 through December 31, 2021.

On May 21, 2019 the Board approved the third amendment to an agreement with American Medical Response West for emergency ground ambulance services, providing for an extension of the term through June 30, 2022 with an additional two one-year options and authorizing service rate increases effective July 1, 2019.

On May 8, 2018 the Board authorized the Chair to submit a letter expressing County support for a one-year extension request of the California Emergency Medical Services Authority for the Exclusive Operating Area Ambulance Services Agreement covering central Sonoma County and work with the area's Assembly members and State Senator to support this request.

On December 16, 2008 the Board approved the Emergency Ground Ambulance Services Agreement with American Medical Response West.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Adopted</b>	<b>FY 21-22 Projected</b>	<b>FY 22-23 Projected</b>



Agenda Date: 3/23/2021

Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Narrative Explanation of Fiscal Impacts:**

There are no fiscal impacts directly associated with this item.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment 1 - Draft Request for Proposals

Attachment 2 - Letters of Support

**Related Items "On File" with the Clerk of the Board:**

None