TO: CITY COUNCIL
FROM: CITY ADMINISTRATOR
DATE: JUNE 4, 2019
SUBJECT: CITYWIDE FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

FISCAL IMPACT: Detailed fiscal impacts associated with the recommended actions are provided within the Fiscal Impact Summary section of this report.

SUMMARY:

The City has contracted with the Orange County Fire Authority (OCFA) since 1995 for the provision of fire protection and emergency medical services, (collectively, “Fire & EMS”). In 2010, the City entered into an amended agreement with OCFA which included an evergreen period clause, which was designed to automatically extend the term of the aforementioned agreement an additional ten (10) years, beyond 2020, unless notice is given to OCFA prior to June 30, 2018.

Since 2009 and through the Great Recession, OCFA has increased the cost to provide Fire & EMS to Placentia by 47% while providing no change in service level. During this period, the City has cut services to the community and deferred much needed infrastructure and maintenance repairs. In addition, within the same ten-year period, the Placentia Police Department’s budget shrunk by 9% and the City’s General Fund budget for all departments increased by only 12%. This represents a 57% difference in increases between the City’s two public safety service operations-police and fire. The City has been increasingly challenged to provide basic and critical public safety services to the community as OCFA’s cost for providing Fire and EMS have risen dramatically during the last decade. Such a large increase, when compared to the remainder of the City’s full-service operations and departments warranted a re-evaluation of Fire & EMS service delivery to our community, particularly with an eye toward fiscal prudence.

In addition, most of the 911 calls for service today are medical-based. In fact, nearly 80% of the emergency calls to OCFA during the last year were for medical purposes and very little (less than 1%) were for significant structure fires. As the need for medical calls continues to increase, while fire calls trend downward, the City has sought to evaluate various Fire & EMS service models that would enhance the medical services provided to our community, particularly with an eye toward reducing response times.

Based upon the aforementioned information, in June 2018 the City elected to serve OCFA with a written “Notice of Withdrawal from Agreement and Automatic Term Renewal” (Notice). Said Notice was designed to: 1) eliminate the automatic “evergreen” provision, 2) preserve the City’s rights to examine all options for delivery of Fire & EMS services, and 3) provide the City with sufficient time to thoroughly discuss and evaluate alternative service models designed to enhance the quality of public safety services provided to the community, while doing so in a fiscally sustainable manner.

3. b.
June 4, 2019
The issuance of the Notice stipulates that the City’s agreement with OCFA shall remain in effect until June 30, 2020, at which point it will terminate.

In order to objectively evaluate all options for delivery of Fire & EMS services, the City developed and issued two comprehensive Requests for Proposals (RFPs)—one for Fire services and one for 911 Advanced Life Support (ALS) EMS. The RFP’s were designed to solicit competitive proposals from the open market (public and private) in order to better evaluate all options available to Placentia. The goals of the RFPs were the following: 1) improve the quality of medical care to the City’s residents and businesses, 2) reduce response times, 3) ensure that these services are provided in a fiscally-sustainable manner, and 4) ensure local control of these services.

An RFP Review Committee (Committee) comprised of local leaders and subject matter experts was established to review the proposals and make a recommendation to the City Council. Upon conducting a thorough review of all proposals and the criteria established within the RFP, the Committee recommends to the City Council the Placentia Fire & Life Safety Department as the recommended service provider for the Fire RFP and Lynch EMS, Inc. as the recommended service provider for the 911 ALS EMS RFP. Based upon Staff’s review and analysis of the Committee’s recommendation, it appears that both of the recommended Fire & EMS service providers demonstrate the ability to provide higher-quality services to the community while meeting the aforementioned goals of the RFP process.

RECOMMENDATIONS:

It is recommended that the City Council take the following actions:

1. Receive and file this report and presentation by Staff; and

2. Consider the RFP Review Committee’s recommendations to the City Council and the options available to the community for Fire Protection and Emergency Medical Services; and

3. Accept the recommendation made by the RFP Review Committee and award a Professional Services Agreement to Lynch EMS, Inc., for the provision of 9-1-1/Advanced Life Support Emergency Medical Services in the amount of $975,000 for the first year of the service period, and for a contract term of five (5) years with the option to extend the term for an additional five (5) years based upon Service Provider performance and at the discretion of the City; and

4. Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney; and

5. Accept the recommendation of the RFP Review Committee and direct Staff to take the necessary measures and specific actions to staff, equip, and fully implement and operationalize the Placentia Fire and Life Safety Department, which would officially take command on July 1, 2020.
DISCUSSION:

Placentia Fire/EMS Background
Prior to 1976, the City of Placentia Fire Department provided firefighting and emergency medical services (EMS) to the community. In 1975, the City disbanded its Fire Department and opted to contract with the County of Orange to provide these services. In the wake of the 1994 County of Orange bankruptcy, the Orange County Fire Department was disbanded and a new Joint Powers Authority forming the Orange County Fire Authority (OCFA) was created on February 3, 1995, with the City becoming a member. Since the City had previously contracted directly with the County of Orange for these services, it joined the OCFA as a “cash contract city.” Those cities that were serviced by the County prior to their municipal incorporations are defined as “structural fire fund” cities. In structural fire fund cities, annual property tax assessments to fund the OCFA are placed on properties located within unincorporated County service areas or former County service areas which pass through directly to the OCFA. Unlike structural fire fund cities, cash contract cities, such as Placentia, typically own their fire stations.

On July 1, 2010, the First Amendment to the Amended Joint Powers Authority Agreement was entered into by the City of Placentia along with twenty-two (22) Orange County cities. Among several of the changes made to the Agreement at that time was 20-year term membership in the Authority, extending the City’s membership in the Authority through June 30, 2030. Article VII, Sections 1.A. and B of the Agreement were amended however to allow cash contract cities, such as Placentia, to opt out of the Authority ten (10) years earlier by July 1, 2020. The amended agreement language states that by July 1, 2018, the City must provide the Authority written notice that it will withdraw from the Authority with a final withdrawal date of June 30, 2020. If the City does not provide this written notice by the date noted above, the term of the agreement is automatically renewed through June 30, 2030.

On June 19, 2018, the City issued a formal written Notice of Withdrawal from Agreement and Automatic Term Renewal with the OCFA. The issuance of this notice means that the City’s Agreement shall remain in effect only until June 30, 2020, at which point it will terminate. The City elected to serve the OCFA with this notice of its withdrawal from the OCFA to eliminate the automatic “evergreen” term extension provision so that it could take the time to evaluate its options regarding fire protection and emergency medical services (EMS). Cancelling the evergreen period does not terminate the agreement immediately. It simply starts the clock running on the remaining two-year term and provides the City with time to discuss and evaluate alternative service models and cost reduction options, as well as implement necessary changes to ensure the financial viability and quality of these critical services.

OCFA Contract Review
The City has struggled for many years to achieve long-term fiscal sustainability and address a growing backlog of needed infrastructure repairs and physical investment in the community. In Fiscal Year (FY) 2018-19, the City was faced with a $2.7 million budget deficit and every City department was asked to cut its budget by 15%. In addition, the City reduced 11 full-time equivalent positions, significantly reduced community center and pool hours, reduced or eliminated City events and eliminated funding for Police Department community outreach efforts. The OCFA, however charged the City an additional 5.51%, or $335,373 over the previous year. Under the current contract, the City has very limited control over the price it pays for Fire and
EMS, and under the existing agreement, the OCFA is allowed to continue to increase its rates on member cities year after year so long as it secures OCFA Board approval.

Since 2009 and through the Great Recession, OCFA has increased the cost to provide its services to Placentia by 47% while providing no service enhancements or improved quality, while at the same time the City has continued to cut services to the community and deferred much needed infrastructure maintenance and repairs. During this period, the Placentia Police Department's budget has shrunk by 9% and the City's General Fund budget for all departments increased by only 12%. The City has been increasingly challenged to provide basic and critical public safety services to the community as the cost for fire and EMS have risen dramatically over the decade to a level that now demands an urgent re-evaluation of options based on a fiscally sustainable foundation.

Another important factor in evaluating the cost of public safety departments is examining their relationship (percent) to the overall public safety budget. In 2009, OCFA costs represented 26% of the City's overall public safety budget and the Placentia Police Department (PPD) costs represented 74%. Today, OCFA costs represent 36% of the City's public safety budget and the PPD costs represent 64%. It should be noted, that these continual OCFA cost increases did not yield any change in service levels or performance standards. Based upon this data, OCFA costs have gone from representing a quarter (1/4) of the City's overall public safety budget to over one third (1/3) today and continue to grow. In evaluating this historical trend, OCFA costs will consume nearly 50% of the City's public safety budget by 2029, reducing the City's ability to reinvest in its Police Department, which the community has stated is a top priority.

As outlined in the aforementioned data, the current agreement with OCFA has exceeded the City's ability to pay or grow its revenues in such a way as to afford the current and future OCFA cost increases. In addition, the City has limited control over these costs or the level and quality of services provided, unlike traditional City departments and other contracted services.

**OCFA Workload Analysis**

To better understand the level and extent of services provided by OCFA to the community, the City commissioned a detailed Fire Services Data Analysis Report, often referred to as a Workload Analysis (Attachment 1), by the Center for Public Safety Management (CPSM). The City had commissioned a similar report for its Police Department which yielded very useful data and insights into the department's operations that has aided the City in implementing operational improvements and efficiencies to the community.

Staff requested and received from OCFA its CAD (computer aided dispatch) and RMS (report management system) data for every fire and EMS call assigned to both Placentia fire stations and apparatus assigned to those stations for all of FY 2017-18. More than 4,000 calls for service were analyzed for all units assigned or dispatched to calls, response times, call volume, call types and locations, total time spent on calls, busiest hours and call overlaps, and analysis of equipment used and responding personnel. The report offers a complete and detailed look at the inner workings of, and sum total of Fire and EMS services currently provided to the City. Most importantly, the report provides the necessary context to better understand the relationship between the services and direct costs the City pays for these services, and the community's needs today and into the future.
Key Findings & Data
Below is some key data takeaways from the report:

- EMS accounts for 78% of all the calls handled by Placentia OCFA units.
- Of the total 4,779 calls responded to, 1,461 or 30% occurred outside of Placentia as automatic or mutual aid calls.
- Of the total number of calls occurring outside of Placentia, 702 or 48% occurred in the City of Yorba Linda.
- In FY 2017-18, OCFA personnel and units from Placentia extinguished a total of 20 outside and structure fires – of those, 5 fires were large scale wildfire or structure fires requiring mutual aid responses to Brea, Anaheim Hills (twice), Santa Ana and Laguna Beach.
- In FY 2017-18 the total property loss value for outside and structure fires was $958,145 and the total content loss was $403,010.
- In FY 2017-18, there was 1 Hazmat incident (gas leak) occurring on the City’s border with Anaheim, and the Anaheim Fire and Rescue Department was the lead agency on that response.
- In FY 2017-18 there were 0 swift water rescues or heavy/medium urban search and rescue deployments occurring within the City of Placentia.
- The 90th percentile response time by OCFA for fire and EMS calls was 7.9 minutes*
- Placentia fire units responded to an average of 7.1 EMS calls per day.
- Placentia fire units responded to an average of 1.4 fire-related calls per day (fire-related calls include false alarms, good intent, hazards, public service and actual working structure or wildfires).
- Engines 34 and 35 accounted for 71% of all the runs handled by Placentia stations.
- Truck 34, assigned to the City of Yorba Linda but parked in Placentia’s Station 34 for convenience, responded to 28% of all runs inside Placentia.
- 82% of the total runs made by Truck 34 were for calls for service in Yorba Linda, of which 45% were for EMS.
- OCFA units spent an average of 3.9 hours per 24-hour shift on fire or EMS-related calls leaving nearly 20 hours of downtime on each shift.
- OCFA conducted 414 various fire and life safety inspections in Placentia, approximately 1.1 inspections per day.
- OCFA staff conducted 34 community education/outreach engagements of which 12 consisted of basic fire station tours and 10 consisted of miscellaneous speaking engagements.

*See page 29 of Fire Service Data Analysis Report regarding reported average OCFA dispatch times and consultant comments regarding those times

Staffing
Per the City’s existing agreement with OCFA, the City’s Fire and EMS needs are currently covered by a 3-person engine company staffed with one paramedic (Paramedic Assessment Unit) at Station 35 in Old Town, and a 4-person fire engine company staffed with two paramedics (ALS Unit) at Station 34 on Valencia Avenue. Truck 34 is assigned to the City of Yorba Linda but is utilized in Placentia on occasion to assist on medical calls or traffic collisions. 9-1-1 Ambulance transport is provided by Emergency Ambulance under an agreement with the County of Orange. The City shares a Division Chief who oversees four different cities (Yorba Linda, Tustin, Villa Park and Placentia) and unincorporated County areas (OCFA Division 4).
Under the current fire-based ALS EMS service model, a fire engine with either three or four firefighters are dispatched Code 3 (lights and siren) to medical calls, regardless of the nature of the call or the patient's condition. The basic life support (BLS) transport ambulance staffed with two EMTs is typically dispatched Code 2 (no lights and siren, only if necessary) to the call and in some cases, Code 3, resulting in a total of 5-6 personnel for calls. This system is designed to ensure that the fire department is the first responder on scene with fire-based paramedics, with support from the BLS EMTs to supplement and transport the patient. Even though the fire engine is dispatched Code 3 and the BLS EMT transport unit is commonly dispatched Code 2, based upon the sheer size of the fire engine attempting to be the first unit on scene, it is not uncommon to have the BLS EMT transport unit arrive on the scene at or near the same time as the fire unit. In addition, the City's Police Department, which is also dispatched to medical calls (depending on the circumstances) is typically the first agency on scene. Based upon a recent evaluation of the Police Department's CAD RMS data, the PPD is the first unit arriving on scene on approximately 90% of the medical calls dispatched.

If the patient requires transport to the hospital, a firefighter paramedic from one of the fire engines rides in the BLS EMT transport ambulance to the hospital with the fire engine and crew following. All four fire department personnel and the engine then wait at the hospital until the patient can be transferred to a nurse before the four firefighters and fire engine can be placed back into service. This results in a fire engine being taken off line from one of the City's two stations, which results in an increase in mutual aid or automatic aid from surrounding city fire departments and/or other OCFA stations. While this current fire-based ALS model is not the standard model used throughout most of California or the United States, it is the predominant model for Orange County.

There are numerous challenges associated with the current fire-based service delivery model. These include 1) that the service is highly fire-based in nature, including the equipment used for medical calls as opposed to medical-based (including certain medical equipment that can be found in non-fire engine response vehicles), 2) increased need of mutual/automatic aid (due to the aforementioned process of a 911 call), 3) the vehicle size and type (fire engine) isn't the fastest type of vehicle available to respond to medical calls Code 3 which results in slower response times available to the community, 4) firefighter personnel are cross-trained and focused in both service areas and not solely focused on medical training and accreditation despite a majority of the community's needs being medical based (nearly 80% of calls), 5) with the current service provider, there is a lack of a strong, comprehensive reserve program, which results in most fire personnel being paid career firefighters, which significantly increases cost to agencies for Fire & EMS services, 6) the firefighter paramedics are regulated (placed) at the fire stations due to the fact that they must ride on a fire engine with other firefighters to an emergency call, whereas there are newer emergency services deployment models, placing vehicles, personnel and technology in areas where they are needed most.

Overview of EMS Services in California
California is considered ground zero for EMS and para-medicine programs. Para-medicine developed in the early 1970's by hospitals and ambulance companies along with lessons learned from field combat emergency medicine in Vietnam. Paramedics and ambulance transport revolutionized emergency medical care by implementing treatments and care for patients in the field, stabilizing their condition, and getting them to emergency rooms quickly. These advancements in health care eventually led to the enactment of the California EMS Act of 1980 creating the State Emergency Medical Services Authority (EMSA) which manages Local EMSAs
overseen by County Health Care Agencies, thus unifying emergency medical services and emergency management services Statewide. All licensed paramedics publicly and privately employed, operate under the authority and accreditation of the County Medical Director. It is important to note that the EMS Act is enshrined in the Health and Safety Code as a healthcare function, not a public safety function.

During this same time, changes and improvements to building codes, design, and technologies made buildings safer resulting in fewer fires and conflagrations. The advent of the 9-1-1 system and the consolidation of emergency call intake to a primary answering point made it easier and faster to dispatch first responders to all types of emergencies. With reduced calls for structure fires and increased need for medical calls, fire departments in Southern California recognized this changing trend as well as the revenue sources provided by hospitals, insurance companies and Medicare who were paying for EMS and began assuming a larger role in providing these services, and thus, utilizing a larger portion of available revenues.

Alternative Service Model Background & Notice of Withdrawal
While Orange County and most of Los Angeles County does not utilize private paramedics, private paramedic 911 ALS is the predominant EMS alternative service model offered throughout the State, including counties surrounding Orange County. In fact, in 56 out of the 58 Counties in California surveyed, privately employed paramedics are providing 9-1-1 Advanced Life Support emergency medical services to nearly 30 million residents. In addition, in California, along with the rest of the Country, 80% of paramedics and emergency medical technicians working today are employed by private companies.

In 2011-12 the Orange County Grand Jury commissioned a report titled: Emergency Medical Response in Orange County – Where did all the “fires” go? (the “Report”, Attachment 2). The report and its accompanying analysis was developed after extensive interviews and testimony provided by fire and EMS industry leaders and comprehensive analysis of various data sources. The Report noted how the nature and scope of the firefighting service had dramatically changed over the past 40 years and that EMS now accounts for much of the calls for service handled by fire departments. The Report noted that some discussions regarding potential changes to the current service model had taken place, but little change had been accomplished because existing labor agreements typically dictate how a City or fire protection district staffs its fire engines and other apparatus. The Report makes reference to the notion that these labor agreements have essentially dictated how services should be delivered and become the de facto service model in Orange County. Ultimately, the Grand Jury recommended that the County as a whole, consider separating fire and EMS services as well as consider privatizing EMS.

Orange County EMS Policy #700 outlines the requirements and technical standards that all paramedic service providers and individual paramedics, public and private, must meet to be allowed to practice as an accredited paramedic in the County of Orange. These requirements and standards are separate and apart from the State paramedic licensure and scope of practice that all public and private medics must operate under at the State level. The accreditation standards are set by the County Medical Director and all accredited public and private service providers and paramedics operate under the auspices of the Medical Director’s medical license. While there are currently three licensed and accredited private service providers providing Advanced Life Support service for Inter-Facility Transfers (IFT-ALS) today, none are providing 9-1-1/ALS, which is a lower scope of practice than IFT-ALS. However, per County EMS Policy #700, the only item a private
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9-1-1/ALS service provider needs to begin the County accreditation process to provide 9-1-1/ALS, is a letter of support from a City or fire district. Lastly, Policy #700 also includes a provision setting the Countywide standard of paramedic coverage to one medic per 64,000 people.

Based upon all of the aforementioned information, in June 2018 the City elected to serve OCFA with a written “Notice of Withdrawal from Agreement and Automatic Term Renewal” (Notice). Said Notice was designed to: 1) eliminate the automatic “evergreen” provision, 2) preserve the City’s rights to examine all options for delivery of Fire & EMS services, and 3) provide the City with sufficient time to thoroughly discuss and evaluate alternative service models designed to enhance the quality of public safety services provided to the community, while doing so in a fiscally sustainable manner. The issuance of the Notice stipulates that the City’s agreement with OCFA shall remain in effect until June 30, 2020, at which point it will terminate.

Request for Proposals – Fire Protection Services and 9-1-1/Advanced Life Support

In order to objectively evaluate all options for delivery of Fire & EMS services, the City developed and issued two comprehensive Requests for Proposals (RFPs)-one for Fire services and one for 911 Advanced Life Support (ALS) EMS. The RFP’s were designed to solicit competitive proposals from the open market (public and private) in order to better evaluate all options available to Placentia. The goals of the RFPs were the following: 1) improve the quality of medical care to the City’s residents and businesses, 2) reduce response times, 3) ensure that these services are provided in a fiscally-sustainable manner, and 4) ensure local control of these services.

Having a detailed understanding of Placentia’s risk related to fires and natural disasters as well as the day-to-day scope of services and work product delivered by the City’s current service provider allowed each RFP to be tailored to meet the City’s unique needs, risk profile and ability to pay. An extensive amount of research and analysis along with consultation with industry experts resulted in RFPs that meet industry, State and local standards and ensure the community’s needs are met through detailed work scopes, effective contract management and close collaboration with all stakeholders. Although separate work scopes and contracts, both RFPs were developed in tandem as both service providers, with City management, oversight and leadership, will work cooperatively and collaboratively together in delivering these critical services to the community.

As a part of the process, the City created a dedicated webpage to provide information to potential service providers and all interested parties to ensure maximum transparency throughout the process. A new email address was created to funnel all formal and informal requests for information (RFI) to a single point of contact. All RFIs and addendums were responded to in writing and posted to the website and shared publicly.

Both RFPs were released to the public on December 20, 2018. The deadline to submit a proposal was February 28, 2019. The term of the agreements set forth in the RFPs shall be for five (5) years with an option to extend the agreement for an additional five (5) years based on mutual consent of both parties, and at the discretion of the City provided that the service provider has met the requirements of the City.

An RFP Review Committee (Committee) comprised of local leaders and subject matter experts was established to review the proposals and make a recommendation to the City Council. The Committee was comprised of two (2) City Councilmembers, Chief of Police, Director of Finance, Emergency Services Coordinator, two (2) subject matter experts in fire protection and EMS, and
a member of the Citizens' Fiscal Sustainability Task Force. Below is an outline of each RFP, proposals submitted, and associated scores provided from the Committee.

**Fire Protection Services RFP NO. 2018-02**
This RFP sought proposals from qualified service providers for a full-service fire suppression, prevention and investigation contract. In addition, those services include Hazmat response and urban search and technical rescues. In addition, the RFP notes that the City would be preparing and submitting a competitive proposal to stand up its own fire department under the same constraints and requirements outlined in the RFP. The RFP also went on to state that the City encourages proposers to be creative and innovative in their approach to offer options that provide a viable service level for the City. This could include the use of roving patrols and moving resources out of fixed locations such as fire stations to respond more quickly to emergencies. The service provider would also be granted free use of the City's fire stations in a three-way lease with the City and EMS service provider. Lastly, the RFP stated that the City will ultimately maintain local discretionary decision-making and control over service levels, budget, and funding for these services.

The RFP also set the expectation that the service provider will not be responding to routine medical calls with the exception of those critical patients in cardiac arrest or traffic collisions requiring patient extrication and mass casualty incidents. The fire protection service provider will respond to those calls in a Basic Life Support (BLS) capacity and support role. This allows the fire personnel and apparatus to be placed immediately back into service after the scene is stabilized, thus reducing mutual and/or automatic aid.

The desired service level outlined in the RFP reinforces the City's desire to deliver these services in a fiscally sustainable and responsible manner. Services should emphasize quality, expedient service, lower costs and added value to the community. Overall the service provider is to respond to working structure and other fires, traffic accidents requiring patient extrication, urban technical rescues, fire investigation services, hazmat response, community outreach and fire prevention education, and fire/development plan check services. For the cost proposal, proposers were asked to submit a per-fire station annual cost, fixed for the first three years and then escalating each year thereafter based upon the annual change in the Consumer Price Index.

**Proposals and Responses for Fire Protection Services**
The City received responses to the RFP for Fire Protection Services from: Anaheim Fire and Rescue, Fullerton/Brea Fire Department, Orange County Fire Authority and the proposed City of Placentia Fire and Life Safety Department. The proposals were evaluated by the Committee and scored in accordance with the evaluation criteria scoring rubric outlined in the RFP. Copies of the responses submitted by Anaheim, Fullerton/Brea and OCFA have been posted to the City's Fire and EMS information website at [www.placentia.org/fireems](http://www.placentia.org/fireems). A copy of the City's proposal is attached to this report as Attachment 3.

<table>
<thead>
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<th>Proposer</th>
<th>Total Score Combined</th>
<th>Average Score</th>
<th>Total Possible</th>
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<tr>
<td>Anaheim Fire and Rescue</td>
<td>5,744</td>
<td>718</td>
<td>2,900</td>
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<tr>
<td>Fullerton/Brea Fire Department</td>
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<td>Orange County Fire Authority</td>
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<td>2,900</td>
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<td>Placentia Fire and Life Safety</td>
<td>19,163</td>
<td>2,395</td>
<td>2,900</td>
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Anaheim Fire and Rescue
This proposal was deemed responsive and compliant with the terms of the RFP. The proposal offered limited support with 2 options. Under Option 1, Anaheim Fire and Rescue (AFR) would provide an engine company and a truck company at Placentia Station 1 with each proposed apparatus being staffed with four crew members. An engine company would be located at Station 2. Each of the three pieces of equipment would be designated and staffed as paramedic units. Option 2 would provide an engine company and a squad at Station 1 with each proposed apparatus being staffed with four crew members. An engine company would be located at Station 2. Each of the three pieces of equipment would be designated and staffed as paramedic units. Option 1 personnel cost: $2,999,166 and Option 2 personnel cost: $2,499,305. The AFR proposal indicates dispatch services on a “pay for use” basis.

Upon review of the AFR proposal the RFP Review Committee found that some key components were missing, and they could not properly analyze the proposal. The Committee submitted supplemental questions to AFR, which included requests for a revised cost break down by year, startup costs, fire prevention services, vehicle annual maintenance costs, and additional training fees. The responses resulted in a revised cost proposal for year one Option 1 personnel cost totaling $10,347,617 and Option 2 personnel cost totaling $8,623,015.

Fullerton/Brea Fire Department
This proposal was not a complete fire protection services contract services proposal. The proposal offered a potential shared fire department command staff arrangement currently in place between both Cities, and a commitment to further explore other options to merge all three fire departments in the future. The proposed cost to Placentia would be based on a 40/35/25 split between Fullerton/Brea/Placentia and is estimated to cost Placentia $846,966. The Fullerton/Brea proposal however was entirely contingent upon Placentia adopting a fire-based ALS EMS system, which was not consistent with the two RFPs issued. The Committee indicated that this contingency requirement along with no submittal of line level fire department proposals from Fullerton and Brea, made the evaluation of this proposal difficult when compared to other proposals.

Orange County Fire Authority
Orange County Fire Authority (OCFA) submitted correspondence to the City respectfully declining to submit a proposal to both RFPs but indicating that OCFA executive staff would recommend that OCFA Board of Directors reinstate the City of Placentia as a full member agency.

Placentia Fire and Life Safety
This proposal was submitted by City Staff and a consulting subject matter expert (retired Deputy Fire Chief) to establish the Placentia Fire and Life Safety Department (PFLS). The PFLS proposal was reviewed by the Committee and passed each evaluation category. In addition, it exceeded the minimum requirements and scored well above the “meets requirement” measurement. The PFLS proposal proposes four (4) command staff, (1) support staff member, (18) emergency operations staff members, and (30) reserve firefighter staff members. There were two viable options for dispatch services: contract services with Metro Net Fire Dispatch or provide these services through the Placentia Police Department Communications Center. Although the cost for the City to provide dispatch services is slightly higher than Metro Net, the benefit of providing this service in-house far outweighs the incremental cost of providing it externally. The PFLS proposal indicates that it intends to use the latest technology afforded to a 21st century fire department, including utilizing an emergency vehicle preemption (EVP) solution known as the Opticom
System. This system would be installed at City traffic signals enabling the smaller apparatuses to travel faster through traffic while in route to emergencies.

Proposal Cost Summary

<table>
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<th>Proposer</th>
<th>FY 2020-21</th>
<th>FY 2023-24</th>
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<tr>
<td>Anaheim Fire and Rescue</td>
<td>Option 1: $10,347,617</td>
<td>Option 1: $11,250,162</td>
<td>Does not include any AFA increases. Excludes ALS EMS.</td>
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<td></td>
<td>Option 2: $8,623,015</td>
<td>Option 2: $9,375,135</td>
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<tr>
<td>Fullerton/Brea Fire Department</td>
<td>Command Staff Only $846,966</td>
<td>Estimate 4% per year</td>
<td>Does not include start-up costs; requires City to use Fire-based ALS EMS model</td>
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<td>OCFA</td>
<td>Estimated based upon historical data (includes ALS): $7,102,705</td>
<td>Estimated based upon historical data (includes ALS): $8,128,720</td>
<td>Declined to submit proposal, but would recommend City be reinstated to OCFA under same terms and conditions</td>
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<tr>
<td>Placentia Fire and Life Safety</td>
<td>$5,154,218</td>
<td>$4,898,360</td>
<td>FY 2020-21 includes one-time start-up costs; proposal excludes ALS EMS</td>
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Placentia Fire and Life Safety Department
The City proposes to create an innovative and high-performing citizen-centered fire service-based delivery model that achieves the City’s stated goal of providing services that maintains or improves upon the level of fire protection and life safety services the community currently receives. This model provides the best option for the City to maintain ultimate local discretionary decision-making and control over cost and service levels for these critical services.

The proposed services to be provided by the PFLSD (Department) includes fire suppression, fire prevention, fire investigations, hazardous materials response and urban search and technical rescue services. The City’s proposal provides an equal level of fire protection services and improved response time performance as provided by the current fire service provider, albeit in a financially sustainable manner. Moreover, the City’s proposal includes some service delivery enhancements, especially in public fire education, fire prevention services, and community outreach and engagement.

The proposed Department will be a community-based fire department utilizing a service delivery system that focuses on rapid, efficient emergency first response services to protect lives and property, community risk reduction (CRR), and community outreach and engagement. The community’s fire department will be “prevention focused” with the goal of reducing the number of fire incidents in the community. Department personnel will be actively engaged with the community providing daily fire inspections and fire education services to both residents and business owners. The bifurcation of EMS and fire protection services will benefit the department
and the community by providing more time for department personnel to devote to risk reduction and fire safety education within the community, as well as more time devoted to firefighter training.

The Department will meet and exceed all local, State, and Federal requirements and comply with applicable national standards, including the National Fire Protection Standard (NFPA) 1710: Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. The Department will be organized using the fire service assessment components developed by the Center for Public Safety Excellence’s Commission on Fire Accreditation. The City will also maintain or improve its current Insurance Services Office (ISO) rating of 3 based upon the Fire Suppression Rating Schedule (FPRS) components for water supply, communications, fire department, and community risk reduction.

The Department will consist of a highly trained workforce of full-time career firefighting personnel that will staff three (3) emergency fire apparatus consisting of: one (1) Type 1 fire engine, one (1) Quint aerial ladder truck - a combination engine and ladder truck - and one (1) Type 6 Engine/Quick Response Unit. The Type 6 engine will respond to outside fires such as trash fires, vehicle fires, and non-emergent public service calls. These Emergency Response Units will respond from the two City-owned fire stations to all reported fires and other emergencies on a 24/7 basis. In addition to these units, the City will purchase one (1) additional Type 1 Engine as a reserve Engine that will rotate between reserve status and front-line service to extend the useful service life of both apparatus as well as be used for training purposes and to maintain the City’s current ISO rating.

The proposed Department consists of a total of 23 full-time employees, including the Fire Chief/Marshal and a Management Analyst. Emergency Operations Staff totaling 21 employees will be assigned to one of three shifts consisting of 48 hours on-duty followed by 96 hours off-duty, commonly referred to as a 48/96-hour shift. To augment the career staff, a robust Reserve Firefighter Program will be established with a roster of 30 active Reserve Firefighters. Reserve Firefighters will be assigned to fire apparatus and will backfill firefighter vacancies as needed.

The Reserve Firefighters will also participate in fire training, public education programs, fire inspections, community events, as well as supplement emergency operations staff in the event of a large incident or natural disaster requiring additional firefighters. The Reserve Firefighters will be able to participate in all training opportunities provided by the City and will be able obtain additional fire service credentials and certifications.

Because the City’s fire and life safety department will have a limited role in emergency medical service (EMS) response, coupled with the extremely low number of fire incidents and public service calls in the community overall, fire department personnel assigned to emergency apparatus will also be trained and certified as Fire Prevention Inspectors based on NFPA Standard on Organization and Deployment of Fire Prevention Inspection and Code Enforcement, Plan Review, Investigation, and Public Education Operations. On duty fire personnel will conduct building inspections, enforce the fire code and provide fire safety education to the public. Fire protection plan check reviews for new construction and tenant improvements will be outsourced to a qualified fire protection engineering firm paid for by plan check fees paid by development
applicants. Fire investigation services will also be outsourced and provided on an on-call contractual basis.

The City will leverage all available technology and implement best practices in its new Department. Decisions related to the leadership direction and operational management of the department will be data-driven utilizing fire service software to collect and analyze data resulting in real-time reports and information being made available to City officials and the public. Creative and innovative approaches will be used to establish, organize and operate the Department. Public-private partnerships with community stakeholders such as EMS or other healthcare providers will be formed to enhance efficiency and effectiveness. Collaboration with other City Departments and other public agencies in neighboring jurisdictions via mutual and automatic aid will be necessary to ensure a high level of performance. The department will focus on cost efficiency and provide a significant savings over the current cost the City pays to its provider of fire protection services.

Unique to the City’s proposal is the inclusion of a Community Engagement and Outreach program focusing on community risk reduction and community involvement in shaping its new fire and life safety department at all levels. Although not requested in the RFP, Section K has been added to this proposal and provides an overview of this program. Some of the program’s components include offering fire training scholarships to graduating seniors from the City’s two high schools with the intent to have those City residents become reserve firefighters and eventually career firefighters for the City of Placentia. The City will also develop an at-risk youth fire academy program in conjunction with non-profit organization Solutions For At-Risk Youth (SFARY) based in Richmond, CA.

9-1-1/Advanced Life Support (ALS) EMS RFP NO. 2018-01
This RFP required that the service provider for the provision of 9-1-1/ALS emergency medical services will be responsible for responding to all 9-1-1 calls for medical service, both at the ALS and BLS level based upon the County Medical Director’s established dispatch protocols. The service provider is required to maintain an ongoing continuing education program for its paramedics, as well as provide education services to other City departments, participate in the City’s emergency preparedness exercises and participate in mutual and automatic aid to surrounding communities.

The work scope requires the service provider to provide four (4) paramedics on duty in two (2) fully equipped units 24-hours per day. One of these medics must also function as a Medic Supervisor for that shift. Currently, the City is covered by three (3) paramedics on duty each shift. The Health Care Agency’s minimum coverage standard is one (1) medic per 64,000 people. Prior to starting service, the provider and its medics will first need to be accredited by the County Medical Director and those credentials presented to the City before starting service, and every year thereafter. The service provider will need to meet or improve the current response times provided by the City’s current provider and financial penalties exist for failing to meet those and other performance standards outlined in the RFP. The County Health Care Agency maintains the OCMeds electronic database used by all fire departments and private service providers to report their performance and patient dispositions. The City will provide its service provider’s performance data to the public on the City’s website monthly so the community can follow their progress and overall performance in real-time.
The payment structure for these services outlined in the RFP provides for a great deal of flexibility for both the service provider and City. The City understands that there is a cost for providing these services and in a smaller City such as Placentia’s with a low call volume, EMS reimbursement revenues are much lower and inadequate to fully cover the cost of providing the service. In Orange County, the Health Care Agency oversees ambulance transport services which is separate and apart from 9-1-1/ALS services creating a separate service provider handling patient transport and collecting transport-related revenues. ALS service providers are limited to collecting the standard ALS reimbursement fee, which when combined with a low call volume, results in an insufficient revenue stream to cover operating expenses. As such, the City’s RFP contemplated different revenue scenarios to maximize flexibility for both parties and ensure the services are provided in a fiscally sustainable and responsible manner.

Proposals for 9-1-1/Advanced Life Support Services
The City received one proposal to the RFP for 9-1-1/ALS Services from Lynch EMS (Lynch). Receiving only one proposal for these services is not unusual.

<table>
<thead>
<tr>
<th>Proposer</th>
<th>Total Score Combined</th>
<th>Average Score</th>
<th>Total Possible</th>
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<tr>
<td>Lynch EMS</td>
<td>15,348</td>
<td>1918</td>
<td>2,600</td>
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Lynch EMS
This proposal was responsive to each evaluation category and exceeded the minimum requirements set for each evaluation category and scored well above the “meets requirement” measurement.

Lynch has been in operation for over 30 years and is the first and largest private ALS provider in Orange County since 2013. They currently care for and transport over 400 critical patients each month. Lynch piloted the initial IFT-ALS program established by the County Medical Director in 2013 and today there are now three private accredited companies providing IFT-ALS within Orange County. Lynch has been successful in maintaining the IFT-ALS licensure each year since 2013. Lynch EMS currently employs a Registered Nurse (RN) with experience as a Mobile Intensive Care Nurse (MICN), Charge Nurse and Emergency Medical Technician as the IFT-ALS Paramedic Program Coordinator who will serve as the EMS liaison to the City. Lynch paramedics have an average of 9 years of paramedic experience, 75% of whom have experience working in a 9-1-1 based system.

Lynch’s IFT-ALS paramedics have an expanded scope of practice, which includes transporting patients on IV pumps with critical care medications infusions, responding to patients under hospice care to reduce the need for ER transport of these patients, and most recently the use of Automated Transport Ventilators to transport ventilator-dependent patients who require urgent transport. This is all in addition to the standard paramedic scope of practice. Per OCEMS Policy #777.00, Lynch EMS paramedics are not required to make base hospital contact for IFT-ALS transports. This means that its paramedics are qualified to make treatment and transport decisions without the assistance of an MICN or Base Hospital Physician. Lynch has earned this level of autonomy due to the competence of its paramedics, and the earned trust of the County Medical Director and Emergency Receiving Hospitals throughout the County.
Lynch worked with the Health Care Agency to pilot and be the first ALS provider to implement additional important clinical procedures to the IFT-ALS paramedic scope of practice including the use of intravenous (IV) pumps, ability to transport patients needing Heparin, Nitroglycerine and tPA medication infusions and Automated Transport Ventilators. These procedures have traditionally fallen within the nursing scope of practice however, Lynch’s paramedics were able to demonstrate such a level of competency and success in applying these treatments that they are now certified by the Medical Director to continue doing so. The expanded scope of practice Lynch was able to obtain from the Health Care Agency further demonstrates the level of skill and competency of Lynch paramedics.

For example, peer-reviewed research has shown that mechanically ventilated patients have significantly better outcomes and fewer complications when their mechanical ventilation is maintained instead of switching to a bag-valve mask (BVM) for transport. Lynch uses this equipment and training to protect patients and to provide the highest possible level of ALS transport care. At the time of this writing, there are no other current 9-1-1/ALS service providers, public or private, that have opted to make standard in their ALS units this optional equipment and advanced paramedic certification. This would make the City of Placentia the only city in Orange County whose contracted ALS service provider will provide these value-added additional services to its residents.

Lynch will make a significant investment in new capital equipment in order to provide these services to the City. This includes the purchase and installation of 800 MHz radio equipment in its ambulances in order to communicate directly with other emergency first responders and emergency receiving centers. An automatic chest compression device will be purchased and will be immediately available for deployment to calls for service for cardiac arrest victims as required by OCEMS policy. In addition, Lynch will also upgrade its Zoll X-series cardiac heart monitors to transmit 12-lead EKG data to directly to Cardiovascular Receiving Centers (CVRC) enhancing rapid emergency care and treatment for cardiac patients, thus resulting in improved patient outcomes.

The Lynch paramedic fleet ran 5,644 IFT-ALS transports in 2018. OCEMS Policy #777.00 requires IFT-ALS service providers to respond to service requests within 30 minutes. Lynch’s average response time for the 2018 calendar year – which is submitted to and monitored monthly by OCEMS – was under 25 minutes and its monthly response time compliance was 100% for both 2017 and 2018.

In 2018, Lynch EMS responded, “Code 3” to Placentia Linda Hospital (PLH) for numerous unscheduled, emergent, Advanced Life Support (ALS) transports for patients who were suffering from heart attacks or other traumatic injuries and required a higher level of care. Lynch’s average response time to these requests was 8 minutes, 56 seconds – an excellent response time when considering Lynch ALS paramedics cover the entire geographical area of Orange County. To achieve this, its ALS units are strategically posted in locations throughout the County to ensure a swift response time for each facility calling for IFT-ALS service. The Lynch ALS fleet currently covers the entire geographical area of Orange County (over 900 square miles). During peak volume hours, each ALS unit may cover over 150 square miles of service area. For comparison purposes, the City of Placentia encompasses a service area of just 6.6 square miles. Per the agreement, Lynch will dedicate two (2) ALS units (4 paramedics) inside Placentia 24/7 for 9-1-1
response, so each ALS unit would be responsible for covering only 3.3 square miles. This will guarantee the community will enjoy superior response times to medical emergencies.

Lynch's headquarters are located on La Jolla Street in Anaheim, just 700 feet from Placentia City Limits. The RFP evaluation committee noted that Lynch’s proximity to Placentia, along with its extensive EMS infrastructure will allow for immediate supplemental support of 9-1-1 operations with a unique surge capacity given its extensive EMS infrastructure already in place. Lynch has 12-14 IFT-ALS paramedics on duty at any given time throughout the County. This would be in addition to the 4 paramedics on duty 24/7 in Placentia. The available surge capacity of highly-trained IFT-ALS medics will provide additional resources to the community in response to large scale emergencies and mass casualty incidents. The depth of resources and the speed in which it can be deployed in Placentia is a unique benefit not available in most communities.

Each year, Lynch participates in disaster drills in Orange and Riverside Counties by sending an Ambulance Strike Team (AST) to actively participate. Lynch is only one of twelve ambulance providers in the State of California with a Disaster Medical Support Unit (DMSU) issued to it by the California Emergency Medical Services Authority (EMSA) with whom they are under contract to provide disaster support to the State when called upon. The DMSU provides enhanced communication ability to support field deployment, including medical supplies and provisions for AST personnel. In addition to the DMSU, the County of Orange has supplied Lynch with a disaster trailer with supplies and resources to offer additional local support during disaster response and strike team mobilization. Both resources are available to Placentia for any and all emergencies.

The strike team prerequisite training for Lynch EMTs and paramedics will also be a requirement for paramedics assigned to the City of Placentia. They will complete Incident Command System (ICS) training and Hazardous Materials – First Responder Awareness level training. These courses will better prepare these employees to support and be integrated into the City’s emergency response plan and participate with City staff and first responders on various disaster exercises and planning sessions.

Additional Service Model Enhancements

Response Times
Both RFPs require the service providers to meet or improve upon the reported response time in Placentia of 7.9 minutes for fire and EMS calls, 90% of the time. On the face of it, the use of smaller, more agile ambulances responding to emergencies as opposed to 25,000-pound fire engines will undoubtedly reduce EMS response times. However, other factors come into play when considering response times. When maintaining control over fire and EMS dispatching, total dispatch time will be reduced by eliminating the need to transfer fire and EMS calls to a separate dispatch center. Lynch has a demonstrated turn-out time of 1 minute and 14 seconds as they can typically be found posted outside of fixed locations already in their units. The use of traffic signal preemption devices such as the Opticom system that provide “green” signals for emergency vehicles traveling Code 3 through entire corridors has shown that response times can be reduced by 25% and increase safety.

The service model the City is proposing, including in-house cross-trained dispatch will reduce EMS response times. It is anticipated that reductions in the areas of dispatch, turnout time, drive time and newer technology will reduce response times by almost 3 minutes on average.
Public Safety Dispatching
The Placentia Police Department is the primary 9-1-1 Public Safety Answering Point (PSAP) for the City of Placentia. Fire and medical calls received by the City are currently transferred by phone to the OCFA Emergency Command Center (ECC). The ECC serves as a secondary 9-1-1 PSAP and currently the primary dispatch center for fire and medical emergencies in Placentia. OCFA Dispatchers will dispatch fire and EMS resources, as well as provide pre-arrival medical instructions to callers with medical emergencies.

The transferring of calls, especially by phone, to a secondary PSAP increases the overall response time because of longer call processing times. On page 29 of the attached CPSM Workload Analysis, it is noted that OCFA’s reported dispatch times of 24 seconds is uncharacteristically lower than times typically observed in other agencies they have studied. CPSM concluded that the times provided do not include the full measure of all the dispatch time components and only measure a portion of the processing times that are carried out at the OCFA dispatch center. It has been noted by Placentia dispatch staff that the delay in handing off fire and EMS calls to OCFA dispatchers averages between 60-90 seconds.

In addition to the OCFA ECC, the Metro Cities Fire Authority, also known as Metro Net Fire Dispatch, provides fire and EMS dispatching services to several Orange County fire departments. Under a Joint Powers Authority (JPA) agreement, Metro Net Fire Dispatch serves the fire departments of the Cities of Anaheim, Brea, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Newport Beach, and Orange.

Dispatch Options
There are two (2) viable options for 9-1-1 call intake, call processing, and emergency dispatching services for Placentia’s new Fire and Life Safety Department:
  - Contract for services with Metro Net Fire Dispatch
  - Provide these services through the Placentia Police Department Communications Center

For the PFLS proposal, City staff received a cost proposal from Metro Net Fire Dispatch totaling $197,446 per year to provide 9-1-1 call intake, call processing and emergency dispatching services. In addition, there would be one-time equipment and start-up costs of $135,000 to join this JPA. Staff analyzed whether these services could be performed in-house with existing Police Department dispatch Staff. It is our recommendation that the City provide fire and EMS dispatch services for the reasons noted below.

Although the estimated cost for the City to provide these services is slightly higher than Metro Net’s, the benefits of providing these services in-house far outweigh the drawbacks. The number of 9-1-1 calls received would not increase as dispatch Staff is already the primary PSAP in Placentia, currently answering all 9-1-1 calls for service. The City receives an average of nine (9) EMS or fire-related calls per day. This volume should not have a demonstratable impact on the overall workload and productivity of dispatch staff. In addition, the City is proposing to overhire 2 additional dispatchers and recently added 1 full-time dispatcher to the City's position allocation plan. In addition, the additional funding provided via the PFLS proposal may provide additional compensation such that the dispatchers may be cross-trained in Fire and EMS and reclassified as “Public Safety Dispatchers”.
Training and certification will be provided by the Association of Public Safety Communications Officials (APCO) utilizing their Fire Service Communications (FSC) course for initial training and continuing dispatcher education. City Dispatchers will use APCO's Fire Service Dispatch and EMS Dispatch Guidecards which is a criteria-based dispatch system. Criteria-based dispatching categorizes incidents based on the potential severability allowing for the right unit being sent to the right incident in the right mode. Not all 9-1-1 calls need several resources or need to respond with red-lights and siren. The Orange County EMS Medical Director would assist the City in setting up these dispatch protocols and help train our dispatchers. Per State statute, the Medical Director has ultimate authority and control over establishing and enforcing medical dispatch protocols.

Most City fire departments in Orange County have opted to contract their fire and EMS dispatching services for a myriad of reasons. Some of them involve cost savings and other reasons involve productivity and the administrative burden of ensuring dispatch staff are consistently being trained and maintaining their skill sets given the unique and critical nature of emergency medical dispatching. Utilization of training programs such as those offered by APCO guarantees that dispatch staff are being routinely trained and maintaining their certifications and skill sets. This higher level of training and certification needed to provide fire and EMS dispatching, along with corresponding improvements to compensation will serve a dual purpose of improving the City's law enforcement dispatch capabilities, while assuming new fire and EMS dispatching services.

One key benefit of the City maintaining local control over EMS dispatching lies in the future of EMS delivery and more specifically, community paramedicine programs and the Emergency Triage, Treat and Transport (ET3) Model developed by the Centers for Medicare and Medicaid Services. These progressive and innovative service models will radically change how emergency and other healthcare services are delivered to the community. As an example, the ET3 Model aims to reduce EMS costs and preserve or enhance the quality of emergency medical care by allowing paramedics to treat patients on the spot as opposed to transporting them to an emergency room, and it also allows them to transport patients to after-hours urgent care clinics or to patient doctor offices instead of the emergency room. This program will create a unique billing code for service providers to charge Medicare and Medicaid-covered patients directly for these new value-added services.

Maintaining local control over the City's fire and EMS dispatching system will allow the City to participate in these kinds of innovative and cutting-edge programs that ultimately result in added value and a higher level of care for our residents and reduced healthcare costs for all. If the City opts to contract for fire and EMS dispatching, then it would not be able to participate in these types of innovative programs.

The City's current computer-aided dispatch (CAD) system, Mark 43, will be integrated with a fire service records management system (RMS) so that data can be collected and analyzed to improve performance, evaluate response effectiveness, and provide useful information to City officials and residents. Data will be available for the fire management team to assist with decision-making and the future direction of the department.

The City’s owned and operated combined police and fire communications center will reduce overall response time to fire and EMS incidents within the City. There will not be a need to transfer fire and EMS calls to a secondary PSAP, such as OCFA ECC or Metro Net. Coordination between police and fire will improve with a single dispatch source able to communicate jointly with local
police and fire personnel as well as all other County agencies during an emergency. The City will also maintain local control over the level of dispatch services provided and the cost for these services.

**Mutual Aid and Automatic Aid**

Mutual Aid as defined in the California Code of Regulations means voluntary aid and assistance by the provision of services and facilities, including but not limited to: fire, police, medical and health, communication, transportation and utilities. Mutual aid is intended to provide adequate resources, facilities, and other support to jurisdictions whenever their own resources prove to be inadequate to cope with a given emergency situation.

The City and its EMS service provider will negotiate and enter into automatic-aid and mutual-aid agreements with neighboring cities. New automatic-aid agreements will need to be established with the Cities of Anaheim, Brea, Fullerton, Orange and Yorba Linda as well as OCFA. Placentia has already received letters of intent to enter into these agreements from several of these cities. Orange County currently operates under the Automatic Vehicle Locator (AVL) Program developed by the Orange County Fire Chiefs Association that automatically dispatches the nearest unit to an emergency, regardless of jurisdictional boundaries.

Automatic-aid agreements will need to be in place for structure fires, emergency medical services and other types of emergency incidents that require an immediate response. Mutual-aid agreements will need to be in place for large scale emergencies and hazardous materials incidents requiring hazardous materials specialist and for other certain technical rescue capabilities. The difference between an automatic-aid agreement and a mutual-aid agreement is that automatic-aid is immediately provided, and mutual-aid is requested on an incident by incident basis. The City values the partnership it has with its neighboring cities and will continue to provide reciprocal automatic and mutual-aid services to these cities.

Orange County EMS Agency Policy #900 is the County’s multi-casualty incident response Plan of which all paramedic service providers in the County are part of. Per the agreement for EMS Services, and as outlined in the RFP, the City’s EMS Service Provider will need to integrate their operations into the City’s mutual and automatic aid agreements as well as the County’s mutual aid system to ensure that our surrounding cities benefit from the mutual aid services the City’s providers can provide.

**Urban Search and Rescue**

All Fire Department staff will be certified first responders in urban search and rescue, swift water rescue, high/low angle rescue, confined space rescue and auto extrication. The Department will have the equipment to provide those first responder services which includes the proposed aerial quintuple pumper which is a ladder truck capable of fire suppression as well as for high and low angle technical rescues. In the event of a natural disaster requiring heavy rescue, those services would be provided via mutual aid on as-needed basis. During FY 2017-18, there were no heavy/medium or swift water rescues conducted within the City of Placentia.

**Hazmat Response**

All Fire Department staff will be certified at the Hazardous Materials Operations Level. The Cities of Anaheim and Huntington Beach entered into a Joint Powers Agreement to form them Orange County-City Hazardous Materials Emergency Response Authority (OCCHMER A). Anaheim and
Huntington Beach provide 2 hazardous materials response team, which in turn, provide hazmat emergency service for the cities of: Brea, Costa Mesa, Fountain Valley, Fullerton, Garden Grove, Newport Beach, and Orange. Between OCCHMERA and OCFA, hazardous materials emergency response is provided County-wide by those agencies who receive Federal and State grant funding to help purchase equipment and fund Hazmat operational costs. The City anticipates joining OCCHMERA for Hazmat emergency response mutual aid requests. In FY 2017-18, there was one (1) Hazmat incident (gas leak) occurring on the City’s border with Anaheim and Anaheim Fire and Rescue was the lead agency on that response.

**Placentia Fire and Life Safety Department Implementation Plan**

Should the City Council elect to establish a new Fire and Life Safety Department to serve the community, there are several actions Staff will need to undertake to establish, staff and equip a new department. Professional consulting services will be needed in this endeavor to assist the City with the various tasks associated with procuring equipment, recruiting department staff, establishing department policies and procedures, coordination with the City’s EMS Service Provider and integrating its operations with those of the City fire department, and establishing various agreements with other agencies, to name a few.

After any Council action to establish the new fire department or award a contract for 91-1-1/ALS, Staff will present to the City Council for its consideration various contracts for professional services. This would include a contract for an Interim Fire Chief for approximately 6 months, a contract with the City’s technical advisor on the department proposal who will be responsible for various tasks such as dispatch training, station transition with OCFA, procuring apparatus and equipment and establishing the City’s reserve program. An agreement with an expert on fire apparatus is needed to assist staff with the design and technical design specifications for each proposed fire apparatus. Lastly an agreement with an EMS expert to function as the City’s EMS Coordinator who will assist the City with the year-long implementation of the EMS contract and operational plan and coordination between the City’s new fire department, EMS Service Provider and police department. Staff has developed a list of various tasks, assignments and timelines needed to successfully launch a new fire department and EMS contract and this is a multi-department effort.

**9-1-1/Advanced Life Support Implementation Plan**

Should the City Council elect to award a contract to Lynch EMS for the provision of 9-1-1/ALS services. The City’s Contract EMS Coordinator will serve as the City’s main point of contact and resource to coordinate the transition of Lynch and the services it will provide beginning on July 1, 2020. In addition, the EMS Coordinator will assist the City in incorporating dispatch protocols and training of dispatch staff along with the training of fire and police department staff at the basic life support level.

**Recruitment and Hiring of Fire Department Staff**

The proposed fire department would be staffed with a total of 20 full-time personnel supplemented by at least 30 reserve firefighters. As a new fire department, the City will need to conduct an external recruitment to fill nearly all positions. Based upon the number of employees and the time needed for a comprehensive recruitment, selection, and training process, Staff has determined that a full calendar year will be needed to get the fire department operational and ready for service. Staff’s goal is to have all new department staff on board by March-April 2020. This would leave
approximately three (3) months for the entire department to train, go through the orientation process, and plan for the July 1, 2020 transition.

**Capital Purchases and Investments**
Establishing a new fire department requires significant one-time capital expenditures for equipment and apparatus as detailed in the City's department budget proposal. The City has estimated a total of approximately $1.4 million in one-time equipment costs as well as some needed capital improvements to the City's existing fire stations. The cost for four (4) apparatus is approximately $2.5 million which can be financed over a term of 10-years. Annual financing costs for the apparatus have also been incorporated into the department's proposed budget. Since much of the equipment must be on-hand July 1, 2020, the City will have some overlapping costs in FY 2019-20 – both the purchase of this equipment and the annual cost for OCFA’s services that year. The City can finance the one-time equipment costs over a five-year term as well to help the City manage cash flow more effectively.

**ALTERNATIVE OPTIONS:**

Alternative options to Staff's recommendations available to the City Council are:

2. Implement a Civilian Paramedic Program staffed by non-sworn City employees in conjunction with the Placentia Fire and Life Safety Department.
3. Rescind the City's Notice of Withdrawal from OCFA and attempt to negotiate a new contract that provides long-term financial relief from the current unsustainable contract.

1) The Fullerton/Brea shared command staff proposal is an option available to the City Council. The RFP Review Committee did not identify any added value to Placentia by using a shared command system and would make it difficult for the City to create and maintain the type of effective organizational culture envisioned for the Placentia Fire and Life Safety Department. Placentia employees would be guided and led by an external organization not accountable to the City, with its own culture and values that may conflict with those of Placentia and those of the PFLS proposal. The Fullerton/Brea proposal included one key caveat and that is they would only consider providing Placentia these services if it adopts a fire-based ALS EMS system. Otherwise, the labor leaders for the Fullerton and Brea Fire Departments indicated they would not provide these shared command services to the City.

2) The City has the authority and ability to deliver 9-1-1/ALS Emergency Medical Services that best fits the needs of the community. As an alternative to awarding a contract for these services to another provider, the City could create a new EMS Division and establish a civilian paramedic program staffed by non-sworn employees. For this option to be considered, a civilian paramedic program would be expected to perform at the same level, competence and depth of resources as the service provider currently under consideration. The City would have to purchase additional capital equipment and add a considerable number of additional City employees to the organization. In addition, the City would then have to shoulder the considerable regulatory oversight and administrative burden that all EMS operations require. The service model would also remain the same; the City’s fire department would continue to focus on fire protection services and the City’s EMS Division would focus on responding to medical emergencies.
To establish its own EMS Division, Staff developed a cost analysis of one-time required capital equipment purchases and expenditures along with ongoing annual operating and personnel costs. A total of $418,440 in needed capital equipment purchases was identified which includes the cost of three brand-new Type II ambulances, cardiac monitors, AutoPulse machines, ALS drugs and intravenous equipment and ALS airway supplies.

To provide the same level and depth of coverage as the service provider under consideration, the City would need to add a considerable number of additional employees. A total of 14 paramedics would be needed to work 24-hour shifts on a modified Kelly work schedule. In addition, a full-time Registered Nurse to function as the City’s EMS Coordinator will be needed in order to oversee the Division, including coordinating continuing education programs, establishing and maintaining quality assurance and continuous quality improvement plans, establishing and monitoring clinical and operational benchmarking standards, managing inventories of narcotics and compliance with legal requirements thereof, monitoring, maintaining paramedic and City accreditation with the County Medical Director, along with additional regulatory and administrative burdens. The City would also need to procure the services of an on-call medical doctor to act as the City’s designated Medical Director, which is required of all ALS service providers, public and private. Salary and benefit costs for these civilian employees on an annual basis amounts to $1,407,970. Annual operating costs bring the grand total annual cost to provide 9-1-1/ALS with City employees amounts to $1,665,270. The lack of an existing EMS infrastructure to draw from like that of the service provider currently under consideration makes it costlier for the City to establish its own EMS program to compete on the same level.

3) The City Council has the option to maintain the status quo and continue using the same service model and provider to deliver fire and EMS services to the community. In its response to the City’s RFPs declining to submit a competitive proposal for these services, OCFA essentially stated that the City’s desire to maintain discretionary local control over these services and ensure that they are delivered in a financially sustainable manner does not fit with OCFA’s existing service model, its authority to deliver these services in the manner it deems best, and existing agreements it maintains with other JPA member cities. The Fire Chief stated that he would be pleased to propose and recommend that the OCFA Board reinstate the City as a full member, under the same terms and conditions.

This option has long-term financial ramifications for the City. In November 2018, Placentia voters approved Measure U, a 1% Transactions and Use Tax that will generate approximately $5 million per year in new sustainable revenues for the City. The City Council adopted an updated Reserve Policy outlining how Measure U Funds are to be allocated each year with 50% being used to address long-term infrastructure needs, 20% for General Fund Reserves, 20% for Employee Recruitment and Retention, and 10% for post-employment benefit reserves. Staff analyzed and compared the anticipated growth in Measure U Funds against the anticipated annual growth in OCFA costs. Net sales tax revenue growth through 2030 for Placentia is projected remain relatively flat and by FY 29-30 the City anticipates only receiving approximately $5.6 million in Measure U funds and new hotel bed taxes. However, the annual OCFA contract in FY 29-30 will amount to $10.6 million, an increase by an additional $4.2 million per year over what the City is currently paying. In essence, OCFA costs will absorb more than 75% of the available annual Measure U Funding by FY 29-30, leaving only approximately $800,000 per year to fulfill the
promises made and community's expectations regarding the use of those funds, not to mention, violation of the City's own Reserve Policy.

FISCAL IMPACT SUMMARY:

Placentia Fire and Life Safety Department
Staff developed a comprehensive budget for the proposed department. The budget includes large one-time expenditures the City will incur standing up its own Fire and Life Safety Department as well as ongoing labor, maintenance and operation costs that are typical of a modern fire department. Purchase and financing costs for new apparatus and equipment included in the proposed department budget as are all other supplies, and materials the department will need. The addition of a new City department with almost fifty (50) full and part-time employees will create new administrative burdens and workloads specifically in Human Resources (HR) and Information Technology (IT). The additional administrative support needed to establish and maintain a new City department, and the cost to supply that additional labor has been accounted for and included in the budget. The anticipated cost savings of reestablishing local control over these services will allow the City to reinvest in other areas of the City's operations.

Labor costs are typically the largest expense any business will incur. A salary survey of surrounding municipal fire departments was conducted by the City's Administrative Services Department and the recommended salary scales for fire department staff were further analyzed within the context of the City's salary scales to ensure parity with existing employees. Costs for training, tuition reimbursement and overtime are also included in the department budget. The budget also assumes that Fire and Life Safety Department employees will receive the same fringe benefits enjoyed by all other full-time City employees and those costs are accounted for. Should the City Council elect to stand up its own Fire and Life Safety Department, Staff will solicit competitive proposals or negotiate price and terms on capital and other equipment costs to further reduce start up and ongoing annual costs.

The proposed department budget and associated details have been prepared by Staff however the following table summarizes and compares operating costs between a City-operated system versus what the City would pay if it elects to remain with the OCFA. The costs noted below are inclusive of all one-time capital equipment purchases, annual operating expenditures, and annual EMS cost:

<table>
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<th>Retirement Benefit Type</th>
<th>FY 2020-21 Fire/EMS Service Delivery Cost</th>
<th>FY 2021-22 Fire/EMS Service Delivery Cost</th>
<th>FY 2022-23 Fire/EMS Service Delivery Cost</th>
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<td>$7,429,429</td>
<td>$7,771,183</td>
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<td>City</td>
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<td>$5,706,131</td>
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An analysis of the estimated costs associated with standing up a City fire department versus what the City is currently paying OCFA, and what it will continue paying in the future if it elects to stay with OCFA through 2030 can be found below:
The anticipated growth in OCFA’s service charge to the City is based on a historical annual average increase of 3.92%, which is a growth rate the City has no ability to control. As such, should the City elect to stay with OCFA it will cost the City a total of $87,687,296 to provide Fire and EMS services from 2020 through the Year 2030, with no change in service levels and no ability to improve the quality of service provided to the community. Conversely, should the City stand up its own department it will have the ability to control costs, service levels and quality. A maximum annual budget growth factor of 2% was utilized to project future costs into 2030 as the City’s overall operating budget has only grown by 12% since 2009.

9-1-1/Advanced Life Support EMS
This 911 ALS EMS RFP discusses how EMS is typically paid for and the various options available to the City and Service Provider for how these services are ultimately paid for. Lynch EMS opted to request a direct payment from the City for their services as opposed to utilizing First Responder Fees or requesting the City establish a Paramedic Subscription Program. The City reviewed in detail, Lynch’s proposed operating budget and pro forma to better understand how its ongoing operating costs are structured and its anticipated profit margin.

To service this contract, Lynch will invest more than $400,000 in required capital expenditures for new equipment and apparatus which includes the purchase of two brand-new fully equipped Type
Il ambulances to serve the City of Placentia. In addition, Lynch has set-aside an additional $500,000 to cover any unforeseen contingencies. In total, Lynch is allocating more than $900,000 in start-up costs and contingency reserves to provide these services. Lynch will need to hire some additional paramedics, but already maintains a large pool of highly experienced and accredited paramedics operating in Orange County.

For the first year of the proposed agreement, Lynch has submitted a cost proposal of $975,000. Of this amount, 81% or $916,688 is allocated just for labor costs – Lynch is required to provide four paramedics on duty covering the city 24-hours per day. A total of 6.1% is allocated to general and administrative overhead, 5.7% is allocated to vehicle depreciation, 3.6% is allocated to supply costs and 1.9% to insurance costs, which is based on the City’s required insurance coverage limits. Lynch’s pro forma anticipates receiving a total of $229,470 in ALS reimbursements for a total first-year revenue stream of $1,204,470. Total operating costs are $1,123,801 leaving a profit of $80,670, or 7.2%. Prior to the 2010 enactment of the Affordable Care Act (ACA), standard profit margins for the EMS industry was 9% however changes in Medicare reimbursements for EMS because of the ACA has reduced margins for the industry overall. For comparison purposes, the average operating margin for private hospitals nationally in 2016 was 7.7%. Based upon this information, the proposed cost for these advanced life support services is more than reasonable, particularly considering the quality of medical care being provided.

Per the proposed agreement, the annual payment to Lynch for these services may be adjusted annually with changes in the Consumer Price Index for the preceding 12-month period up to a maximum of 3%, whichever is lower. In addition, the contract for these services states that the in-kind costs and annual direct payment to Lynch is only applicable for the initial five-year term of the agreement.

When taken together, the City’s cost to provide fire protection and 9-1-1/ALS to the community (via the PFLS and Lynch proposals) between 2020 and 2030, is expected to total $59,288,232. Accordingly, the City stands to save $28,399,064 over the next ten years by separating from its current service provider and delivering fire and EMS services to the community through this financially sustainable and modernized service model.

Prepared by:

Rosanna Ramirez
Director of Administrative Services

Reviewed and approved:

Kim Krause
Director of Finance

Reviewed and approved:

Damien R. Arrula
City Administrator
Attachments:

1. Fire Services Data Analysis Report
2. Orange County Grand Jury Report
3. Placentia Fire and Life Safety Department Proposal
4. Professional Services Agreement with Lynch EMS, Inc.
   - Exhibit A: Lynch Proposal
   - Exhibit B: Request for Proposals for 9-1-1 Advanced Life Support EMS
5. Request for Proposals for Fire Protection Services