

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 12/18/2012 **Start Time:** 9:00AM **Length:** 30 minutes

Presentation Title: Emergency Ambulance Services RFP Update

Department: Health, Housing and Human Services

Presenters: Rich Swift, David Anderson, Lane Miller and Larry MacDaniels

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Staff request final direction on one policy area and the timeline to finalize the Request for Proposal (RFP) for Emergency Ambulance Services in Clackamas Ambulance Service Area.

EXECUTIVE SUMMARY:

On Tuesday, December 11, 2012, at a study session the Board of Commissioners considered three policy areas for the ambulance services RFP: (1) evergreen contract structure, (2) innovation and (3) protection of incumbent employees and quality standards. The Board approved the recommended evergreen contract and innovation provisions of the RFP.

The Board directed staff to prepare additional recommendations for Section VII., Human Resources, which includes treatment of incumbent workers. The Board has clearly indicated that fair treatment and a reasonable opportunity for employment for incumbent ambulance personnel is important in the RFP process.

We have worked with our consultant Dave Shrader on where to place scoring emphasis in this section. The recommendation below is based on the end goal for the RFP. The purchase, on behalf of the citizens, of reliable ambulance services at a reasonable cost.

Today, ambulance service is a clinically sophisticated, distributed healthcare product. The reliable performance of this service relies on many things, including appropriate use of technology, logistics management, good managers, reliable equipment, fleet operations, training, quality improvement, success in healthcare reimbursement and financing. However, most of the expense and effort to achieve reliable and efficient performance depends on the workforce.

In most systems between 70% and 80% of all costs are for salaries, wages and benefits of the employees. Turnover of employees drives a number of different costs to the system. These include:

- The cost to recruit, orient and train a replacement;
- The cost to cover open shifts while replacements are hired;
- A cost in response inefficiency as new people learn the area;
- A cost in terms of a learning curve for first response and hospital interactions;
- Requires more in-service and continuing education;
- A loss of system knowledge, including repeat patients and special circumstances;
- Increased opportunity for clinical and other errors.

Reasonable treatment of the workforce enhances the stability of the system and provides for greater accumulated local experience. Staff and the consultant have worked to provide balance

across all of the drivers described above. We have reduced scoring of incumbent workers by 60 points and moved points to the other parts of this section. This places more emphasis on retention, training, wages, employee support and safety. Staff and Mr. Shrader also conclude that this scoring distribution removes a possible barrier to competition for all potential proposers.

RECOMMENDATION:

We recommend that the Board approve the proposed scoring below for the Human Resources Section of the RFP (previous scores are in parenthesis):

Section VII. Human Resources

| | | |
|----|--|-----------|
| A. | Treatment of Incumbent Workers (130) | 70 |
| B. | Compensation and Benefits (80) | 90 |
| C. | Leadership/Supervisory Training (30) | 40 |
| D. | Diversity Awareness Training and Involvement Plan (10) | 20 |
| E. | Health and Safety Programs (10) | 20 |
| F. | Recruitment and Retention Strategies (40) | <u>60</u> |
| | | 300 |

We also recommend that the Board approve the timeline below:

| | |
|---------------------------|--|
| New contract in place | May 15, 2013 – allows for May 2014 transition (if necessary) |
| Begin Negotiation | Week of April 15, 2013 |
| Notice of Intent to Award | Week of April 8, 2013 |
| Evaluation | Week of March 25, 2013 |
| Submissions | Week of March 18, 2013 |
| Pre-bid Conference | Week of February 4, 2013 |
| Advertisement | Week of January 14, 2013 |

OPTIONS:

- (1) Accept recommended scoring of Human Resources Section of RFP;
- (2) Provide alternate direction regarding treatment of incumbent employees and the Human Resources Section;
- (3) Approve timeline as described;
- (4) Modify timeline.

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval *R. Swift*
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Larry MacDaniels@ 503-655-8256