



WESTMINSTER
COLORADO

CITY COUNCIL MEETING
MAY 19, 2025 at 7:00 PM

- C. Bid Waiver Request for EMS Management and Consultants



WESTMINSTER
COLORADO

Agenda Memorandum

Agenda Item – 8.C.

City Council Meeting
May 19, 2025



Strategic Priority 3: Community Health and Safety

Invest in innovative and collaborative approaches to provide a continuum of services that preserve, promote, and protect the health, safety, and environment of Westminster.

Subject: Bid Waiver Request for EMS Management and Consultants

Prepared By: Bob Hose, Deputy Fire Chief
Chad Christian, EMS Chief
Aran Raz, Procurement Manager
Mark Hoff, Assistant City Attorney

Recommended City Council Action:

Authorize a bid waiver for EMS Management and Consultants to secure a contract for ambulance billing services for calendar years 2025 and 2026 and optional one-year renewals in 2027 and 2028.

Summary Statement:

- The Fire Department provides ambulance transport services as part of the emergency medical system. Billing for ambulance transports is contracted with a third-party company that collects 3.99 percent of the total amount received as their fee for this service.
- In 2024, \$8,237,703 was billed for services, and \$3,272,152 was received by the City.
- An additional \$2,092,002 was received from the Colorado EMS Supplemental Payment Program (COEMSSPP). The COEMSSPP level of reimbursement is tied directly to the Fire Department's billing and collection totals.

- Since 2021, billing has been performed by Wittman Enterprises, which was recently purchased and became part of EMS Management and Consultants (EMS MC). The Fire Department has previous experience working with EMS MC.
- The contract with Wittman Enterprises, now EMS MC, expired on April 30, 2025. Due to changes in Fire Department personnel assignments, notification of the contract expiration did not take place until mid-April.
- The Procurement Manager, within their scope of authority, has authorized billing services performed by EMS MC to continue. The continuation of service limits additional expenditures to \$50,000. The extension of billing services provides a “bridge” until a new long-term contract can be secured. This action has been reviewed and approved by the City Attorney’s Office.
- The Fire Department is requesting a bid waiver for EMS MC to secure a new and extended contract with EMS MC. The requested bid waiver, if approved, would authorize EMS MC to provide billing services through 2026, and provide optional one-year renewals in 2027 and 2028.
- Based on experience from the last contract, when the billing company changed there was an approximately 90-day lapse in billing activities. The 90-day lapse directly affected collections for that period and some accounts held by the previous vendor were no longer able to be billed or collected.
- Due to the late notification of the contract expiration, if a bid was required and subsequently awarded to a different company, the service gap in providing billing information and starting new collections could lead to a large loss in revenue due to the time required to put a new service in place. Requiring a bid process may result in a loss of revenue of approximately \$800,000 to \$1,000,000 or more when the COEMSSPP costs are included.
- The FD would have requested a bid waiver regardless of the contract expiration based on experience working with EMS MC. They have a professional staff, have supported necessary technology to track and pursue appropriate reimbursements, continue to meet contract requirements, and remain competitively priced in the ambulance billing market.
- Authorizing a bid waiver allows for an extended contract with EMS MC and will ensure collections continue.

Fiscal Impact:

Avoids a potential revenue loss of approximately \$800,000 to \$1,000,000

Source of Funds:

General Fund

Policy Issue(s):

Does City Council support authorizing a bid waiver with EMS MC to secure a contract for ambulance billing services for calendar years 2025 and 2026 and optional one-year renewals in 2027 and 2028?

Alternative(s):

City Council could decide not to authorize a bid waiver with EMS MC. This is not recommended as the Fire Department ambulance transport billing revenue may see a decline of revenue for a period of time.

Background Information:

The Fire Department provides ambulance transport services and has done so since 1992. This system has since been adopted by most of the other agencies in the Denver metropolitan area and region. Emergency medical response services themselves are not billed; however, ambulance transports and associated treatments are billed at a rate comparable to other agencies, both public and private, in the region. When the Fire Department assumed ambulance transport services, billing services were initially handled by a Fire Department billing clerk. The Fire Department later transitioned this function to a third-party vendor due to the legal and regulatory complexities of ambulance billing and the increasing rate of transports and revenue generated. The current billing vendor charges the Fire Department a rate of 3.99 percent of revenue produced by ambulance transports. This is in-line with an industry average of a four percent rate of revenue.

In 2024, \$8,237,703 was billed through the vendor, Wittman Enterprises at that time. The revenue received from ambulance transport billing was \$3,272,152 for a rate of collection of 39.7 percent. Additionally, funding through COEMSSPP is tied to the amounts billed and collected by the respective agency. The higher the billing and revenue, the higher the rate of reimbursement through the COEMSSPP. These funds have been used over the past few years to purchase fire apparatus, medic units, and a variety of EMS and other equipment. In 2024, the City received a payment of \$2,092,002 for fiscal year 2023 from the COEMSSPP.

The contract with Wittman Enterprises was initiated in 2021 and expired on April 30, 2025. City Council approval was not required for the last contract. The Fire Department conducted a request for proposals and the cost of the contract was anticipated to be less than the \$250,000 threshold required for City Council action. The vendor's fee for service is based on collections, not amount billed, and was projected below the \$250,000 amount.

In late 2024, the Fire Department's EMS Division had a change of personnel and contract alerts were missed in the transfer. Notification of the expiring contract occurred in mid-April, which did not provide enough time to go to a bid for billing companies, and only provided a small window of time to continue billing through administrative channels before requiring City Council approval. The Procurement Manager has authorized billing services performed by EMS MC to continue up to \$50,000. This continuation of service is acting as a "bridge" until a new long-term contract can be secured.

Without the ability to bill for services, it is estimated the City could lose approximately \$800,000 to \$1,000,000 during the time that billing does not take place and the associated impact to the COEMSSPP reimbursements. Due to the time it would take to go out for a public bid, and possibly

have to transfer all previous billing information over if a new company was selected, the City could lose revenue as noted.

The Fire Department is requesting that City Council approve a bid waiver to continue using EMS MC for billing of ambulance transports. During the time of their contract, Wittman Enterprises has been very easy to work with and have generated a collection rate of 39.7 percent, greater than the average of 30 percent. The Fire Department anticipates that the new parent company will provide similar work and collection results based on previous experience with EMS MC and the fact that Wittman Enterprises' staff now work for EMS MC.

Approving this bid waiver will allow the Fire Department and City to continue collecting billing revenues without any losses. A new or extended contract will be negotiated during the administrative bridge time. The Fire Department believes this will provide sufficient continuity in billing and collection while providing enough time to secure a new or extended contract.

The Fire Department would have requested a bid waiver regardless of the contract expiration based on experience working with EMS MC. They have a professional staff, have supported necessary technology to track and pursue appropriate reimbursements, continue to meet contract requirements, and remain competitively priced in the ambulance billing market.

The bid waiver authorizes the Fire Department to secure a new or extended ambulance billing contract, which aligns with the Strategic Plan Priority of Community Health and Safety, as the revenues generated from transport services can be reinvested in safety equipment and services for the community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jody L. Andrews", with a long horizontal flourish extending to the right.

Jody L. Andrews
City Manager