



TO: T.C. Broadnax, City Manager
FROM: Toryono Green, Deputy Chief, Tacoma Fire Department
James P. Duggan, Fire Chief, Tacoma Fire Department D
COPY: City Council and City Clerk
SUBJECT: Resolution Request – Authorizing an Amendment to a Contract With HealthConnect Consulting, LLC – September 24, 2013
DATE: August 29, 2013

SUMMARY:

The purpose of this memo is to ask Council to authorize a contract amendment with HealthConnect Consulting, LLC, to (1) extend existing contracted professional medical and social work services in support of TFD CARES through December 31, 2016, and (2) to authorize the use of anticipated supplemental grant funding to a maximum total contract amount of \$1,371,970 over 4.5 years through December 31, 2016. The contract is currently scheduled to expire October 1, 2013. To avoid a service interruption, we recommend the City Council consider the proposed contract amendment prior to that deadline.

COUNCIL SPONSORS:

N/A.

BACKGROUND:

In August 2012, the Tacoma Fire Department (TFD) initiated a contract with HealthConnect Consulting, a local professional and social work consulting firm, to assist staff to help identify the needs of apparent high utilizers of emergency services and, where possible, to help direct such patients to agencies and programs more appropriate for their long-term needs. Upon the successful completion of the one-year pilot, TFD proposes to extend the contract through December 31, 2016, to continue these services as part of the TFD CARES program for an initial period.

HealthConnect Consulting was selected for the pilot due to their qualifications and considerable local experience. The proposed contract extension will enable TFD to continue the services without adjustment or disruption while development of the TFD CARES program continues, the Affordable Care Act is implemented, and the longer-term outlook for medical services funding becomes more apparent.

ISSUE:

TFD requires the assistance of a consultant experienced in the local social work and healthcare industries and networks to help us identify the needs of high utilizers of emergency services and to help direct such patients to agencies and programs that may potentially better meet their long-term needs. The City initially approved a one-year contract with HealthConnect Consulting to provide these services to help pilot the work done for TFD CARES. TFD now desires to increase the service provided and extend the contract through 2016, to enable the program to be established on an initial basis.

ALTERNATIVES:

TFD could delay its work in TFD CARES until more of the consequences of the Affordable Care Act are clearly known. Such action would regressively implement what are nationally recognized as inefficient work practices—sending valuable and costly emergency response resources unnecessarily to non-urgent requests for assistance and subsequently decreasing the availability of those resources for true critical



emergencies. Delaying TFD CARES would abandon the significant progress made assisting our citizens in finding more appropriate resources and decreasing non-urgent 911 use. Critical interagency relationships established through the TFD CARES program would also be impacted.

Soliciting competitively for a contractor will disrupt the program while it is still in its infancy under development. Now that the program pilot is concluded and the initial start-up is underway, it makes more sense to continue program development with the current contractor until the program is more stable and TFD's needs for a permanent program are more clearly apparent.

RECOMMENDATION:

Approve the contract extension and increase to enable the work being done with the assistance of the contractor to continue through 2016. Failure to approve the proposed contract extension will abruptly stop the development and performance of the TFD CARES program.

FISCAL IMPACT:

The recommended action will commit the City to pay to the contractor a maximum of \$1,371,970 during the approximately 4.5 years from June 2012 through December 2016. Fire staff estimates that \$481,164 of the contract maximum will be paid from Fire Department revenues received into the EMS Special Revenue Fund. An additional \$350,000 will be contributed from the Mental Health Fund with the balance received from grant funding.

EXPENDITURES: (\$12,768 of total contract expenses were incurred in 2012.)

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
EMS Fund 1155	609100	5310100	831,164
Fire Misc Sp Rev 1090	878000	5310100	540,806
TOTAL			1,371,970

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
EMS Fund 1155	609100	4342260	481,164
Mental Health Fd 1185	858200	6311000	350,000
Fire Misc Sp Rev 1090	878000	4330100	540,806
TOTAL			1,371,970

POTENTIAL POSITION IMPACT: (CONTRACTED)

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			



This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$588,396

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Of the \$588,396 maximum amount required for 2013–2014, \$268,396 will be expended from TFD revenues received into the EMS Special Revenue Fund. An additional \$150,000 will be transferred from the Mental Health Fund. Finally, \$170,000 in grant funding will be expended from the Fire Miscellaneous Special Revenue Fund 1090.

The funding for TFD CARES expansion (increased contracted FTEs to full-time and in-home care provided by Community Paramedics) is wholly dependent upon the receipt of grant awarded money. If TFD’s applications for grant funding are not successful, contract activity will remain at current levels with a 3% annual increase or may be reduced or terminated prior to the end of the contract period.



City of Tacoma
Fire Department

Date: August 29, 2013
To: T.C. Broadnax, City Manager
From: James P. Duggan, Fire Chief 
Tacoma Fire Department
Subject: Authorization of Direct Negotiation for Professional Services and Personal Services
over \$25,000
HealthConnect Consulting, LLC – **\$1,371,970 (Revised)**

For your review and recommendation.

TMC 1.06.256 requires competitive solicitation of all services. Wherever possible, services should be procured as a result of a request for bids, request for proposals, or request for qualifications, as appropriate. TMC 1.06.256 (B) allows for direct negotiation of professional services and personal services, excluding architectural and engineering services, when determined by the city manager or director of utilities/CEO, or their respective designees, to be in the best interest of the City.

RECOMMENDATION: In accordance with TMC 1.06.256 (B), the Tacoma Fire Department (TFD) requests a waiver of the competitive solicitation process and authorization to directly negotiate with **HealthConnect Consulting, LLC, Puyallup, Washington**, for professional, social, and medical triage and consulting services in support of the TFD CARES program, for an amount not to exceed \$1,371,970, sales tax not applicable.

EXPLANATION: TFD requires the assistance of a consultant experienced in the local social work and healthcare industries to help the department identify the needs of high utilizers of emergency services and to help direct such patients to agencies and programs that may potentially better meet their long-term needs. The City initially approved a one-year contract with HealthConnect Consulting to provide these services to help pilot the work done for TFD CARES. The department now desires to increase the service provided and extend the contract through 2016, to enable the program to be established on an initial basis.

JUSTIFICATION FOR DIRECT NEGOTIATION: Based upon the proposed changes in the Affordable Care Act related to healthcare delivery and the guarded atmosphere of the healthcare community, it is critical for the consultant to not only be highly competent and experienced in the implementation of major multi-agency healthcare programs, but also very well established in the local medical community with an awareness of specific areas of provider sensitivity and direct access to executive decision makers within the three major healthcare systems in this area (MultiCare, Franciscan, and Madigan Army Medical Center). Experience in community outreach and education is also fundamental to this role, as is access to and previous use of student resources in local institutions of higher learning. HealthConnect Consulting, LLC, meets all of these requirements, and their initial work with the department more than demonstrated the experience and qualifications of the contractor. At this time, TFD desires to extend the contract for additional work through 2016 while we continue to study the impact of the TFD CARES program prior to making recommendations for a permanent program in this area.

FUNDING: Funds for this purchase are available in the 2013–2014 EMS Special Revenue Fund 1155 budget, and grant funding is available in the Fire Miscellaneous Special Revenue Fund 1090. About \$400,000 of the available EMS Fund money was provided from fees in the private ambulance transport contracts included specifically for this purpose.

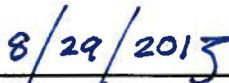
The proposed contract increase and extension assume that current and future City applications for grant awards to supplement the City's contract funding will be successful. In the event that the City is not successful, contract hours may be reduced or the contract may be suspended or cancelled.

HUB COMPLIANCE: HUB staff was not contacted.

PROJECT COORDINATOR: Deputy Chief Toryono Green, 253-591-5010.



James P. Duggan, Fire Chief



Date

AUTHORIZED:


T.C. Broadnax, City Manager



Date

cc: Richelle Krienke, Senior Buyer, Finance/Purchasing