



**Contract and Award Letter
Purchase Resolution – Exhibit “A”**

TO: Board of Contracts and Awards
FROM: Sionna Stallings-Alailima, Fire Chief, Tacoma Fire Department
Joe Meinecke, Chief of Staff, Public Safety, Tacoma Fire Department
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Ryan Foster, Senior Buyer, Finance/Procurement
SUBJECT: EMS Transport Billing Services
Direct Negotiation Waiver Contract No. CW2283876 – August 18, 2026 City
Council
DATE: July 23, 2026

RECOMMENDATION SUMMARY:

Tacoma Fire Department (TFD) recommends awarding a contract to Systems Design West LLC, Poulsbo, Washington, in the amount of \$2,056,005, plus applicable taxes, budgeted from the TFD EMS Special Revenue Fund 1155, for an initial contract term of three years, with the option to renew for two additional one year terms, for a projected contract amount of \$3,334,616, plus applicable taxes, for emergency medical services (EMS) transport billing services.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This recommendation is based on Tacoma Fire Department’s assessment of opportunities for operational improvement as well as ongoing cost savings.

BACKGROUND: TFD has provided billing for EMS patient transports since the 1980s. Until 2021, the TFD maintained two staff positions dedicated to EMS billing and billed only for advanced life support (ALS) transports, which averaged approximately 5,000 to 7,000 transports annually.

In May 2021, TFD assumed responsibility for basic life support (BLS) transports after American Medical Response (AMR), the City's contracted private ambulance provider, discontinued service in Pierce County because low payment and reimbursement rates made operations financially unsustainable. The addition of BLS transports increased TFD's annual transport volume to more than 25,000 transports per year and required a corresponding expansion of billing operations.

Today, the EMS Billing team consists of six full-time equivalent (FTE) positions. All costs associated with EMS billing operations – including patient and insurance discovery services, billing software, collections contracts, lockbox fees, mailing services, staff certification, and other administrative expenses – are fully funded by the EMS Fund.

As TFD evaluated its EMS billing operations and benchmarked practices with peer agencies, it became clear that a change in business practices was necessary. Fire and EMS agencies that provide their own patient transport services typically contract with specialized vendors to perform EMS billing rather than managing the function entirely in-house. EMS billing is a highly



specialized, compliance-intensive field that requires expertise in complex insurance payer requirements, regulatory changes, auditing, and revenue cycle management.

Additionally, transport volumes fluctuate throughout the year, creating challenges in balancing staff workloads and maintaining timely billing processes without incurring overtime costs or experiencing processing delays. As transport volumes continue to grow and evolve, so does the need for specialized billing expertise. Continuing to rely solely on internal resources is neither sustainable nor aligned with industry best practices.

ISSUE: To ensure TFD maintains its current level of service, the department must partner with a third-party provider capable of delivering comprehensive EMS transport billing support. The purpose of this contract is to leverage specialized expertise and dedicated billing infrastructure that will streamline EMS transport claim processing and improve turnaround times while also reducing ongoing costs. By transitioning these functions to a qualified external vendor, TFD can reallocate internal resources toward its core mission of emergency response rather than managing complex administrative billing functions. This contract represents an operational improvement that supports efficiency, fiscal responsibility, and enhanced service delivery for Tacoma residents.

ALTERNATIVES: The alternative to this recommendation is to retain an internal EMS transport billing team, which would require staffing costs of approximately \$1.4 million annually, representing additional costs of roughly \$700,000 each year. Additionally, maintaining this function in-house would limit the department’s ability to benefit from the specialized expertise and resources offered by a third-party vendor.

COMPETITIVE ANALYSIS: TFD determined that conducting a competitive process would not be practical or effective. To maintain an equal or higher standard of service—and in recognition of the unique and complex nature of EMS transport billing—TFD must contract with a vendor that meets stringent operational and technical requirements. The selected vendor must be capable of managing the entire revenue cycle, including insurance discovery and verification, coding, claim submission, payment processing, customer service, refunds, appeals, collection referrals, and attorney record requests.

The vendor must also have demonstrated experience with billing standards related to Washington’s Ground Emergency Medical Transport (GEMT) program, including the ability to process interim claim payments and provide required data for annual cost reports. In addition, the vendor must be US-based, with claims processing, payment management, and customer service operations located domestically. To support both patient convenience and provider oversight, the vendor must offer a patient payment portal as well as a reporting portal.

In reviewing potential suppliers, TFD determined that Systems Design West LLC was the only services provider that could meet all requirements. During screening, TFD also learned that Systems Design West LLC is the EMS transport billing vendor used by most municipalities in Washington State.



Alongside these requirements, timing is a critical factor. To ensure continuity of billing operations and maintenance of uninterrupted customer service for the high volume of EMS transports, TFD must have a contract in place prior to mid-September.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Due to their scale, outsourcing EMS transport billing services to a third party vendor improves sustainability by streamlining digital billing workflows and minimizing resource waste to support more efficient operations.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - EIC Exception: Direct Negotiation Waiver.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not Applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND-1155 TFD EMS Special Revenue	609106	5330100	\$3,334,616
TOTAL			Up to \$3,334,616

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND-1155 TFD EMS Special Revenue	609100	Multiple	(\$3,334,616)
TOTAL			Up to (\$3,334,616)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$319,263

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES

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