



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-7

333 West Ocean Blvd • Long Beach, California 90802

August 21, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a lease-purchase agreement and related financing documents under the Master Lease Agreement with SunTrust Leasing Corporation in the amount of \$158,000, payable over a five-year period, for ambulance billing and collection software. (Citywide)

DISCUSSION

On May 15, 2007, the City Council authorized the purchase of an ambulance billing and collection software system to provide the Department of Financial Management with an efficient and modern system that can adequately manage the complexity and quantity of workload demands in paramedic/ambulance billing, accounts receivables and collections from services provided by the City Fire Department through the Advanced Life Support (ALS) division. (Attachment A)

An RFP process was completed and a committee consisting of members from the Fire, Technology Services and Financial Management departments selected Zoll Data Systems as the vendor that will provide the best overall solution at a reasonable cost and with the lowest risk of disruption to operations. Zoll Data Systems solutions has capabilities that will directly support the City's billing priorities and provide many benefits including:

- Automated manual billing activities associate with ALS transports.
- Enhanced customer service by enabling staff to maintain billing and health coverage information for future transports and customer inquiries.
- Improved coordination of interdepartmental operations by providing multi-department access to comprehensive and real-time date of account information.
- Ability to analyze data by customer payment type and identify trends and effectively project revenues.
- Streamlined ability to gather and report performance data.

TIMING CONSIDERATIONS

City Council action on this matter is requested on August 21, 2007 in order to continue implementation of the ambulance billing and collection system.


FISCAL IMPACT

The amount to be financed under the Lease Agreement is \$158,000 at a fixed interest rate of 3.93 percent over five years, for a total cost of \$174,300. FY 08 lease payment costs are estimated at \$35,000. Additional costs for project management and required programming interfaces are estimated at \$98,700 and will be included in the FY 08 budget.

SUGGESTED ACTION:

Approve recommendation.

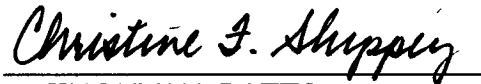
Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



for

ANTHONY W. BATTS
CITY MANAGER



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

~~C-12~~

333 West Ocean Blvd • Long Beach, California 90802

May 15, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an agreement and all related documents with Zoll Data Systems to purchase ambulance billing and collection software and implementation services, in an amount not to exceed \$166,000, including tax and a 20 percent contingency. (Citywide)

DISCUSSION

The City's Fire Department provides Advanced Life Support (ALS) services to the community in emergency situations. The Department of Financial Management performs billing and collections services related to ALS service for the Fire Department.

During 2006, the Financial Strategic Plan identified the Ambulance Billing program as an area to be reviewed to ensure that the collection rate was consistent with the industry standard for municipalities of similar size and demographics. While the collection rate proved to be competitive, the recommendations and conclusions from the review identified many limitations of the existing billing computer system which, if addressed, could increase revenues. The current system does not meet the modern billing requirements for the program, nor does it provide effective management reports. The existing billing and collection system is an IBM mainframe in-house program developed over 30 years ago. The last significant major enhancement occurred in 1988. The billing and collection system processes over \$9.5 million a year in billings, with the cost of maintaining this antiquated system being considerable.

The objective is to replace the current billing and collection system with an updated system that would adequately manage the complexity and quantity of workload demands that meet the primary organizational goals in paramedic/ambulance billing, accounts receivables and collections.

The Request for Proposal (RFP) was downloaded from the City website by 31 companies. Of these, six are Minority-owned Business Enterprises (MBEs), two are Women-owned Business Enterprises (WBEs), and two are certified small businesses. No Long Beach businesses responded to the RFP for the replacement of the ambulance billing and collection system. Two companies submitted responses and none of the companies that responded are MBEs, WBEs, Long Beach businesses or certified small businesses.

A selection committee consisting of members from the Fire, Technology Services and Financial Management Departments, conducted a series of meetings and presentations to select Zoll Data Systems. The review team selected Zoll Data Systems as the vendor that will provide the best overall solution at a reasonable cost and with the lowest risk of disruption to operations. Product features and clients of similar size and complexities as Long Beach also contributed to the recommendation of this vendor.

Zoll Data Systems solution has the capabilities that will directly support the City's billing priorities. Also, it offers the City many benefits including:

- Automate many manual billing activities associated with ALS transports;
- Enhance customer service by enabling staff to maintain billing and health coverage information for future transports and customer inquiries;
- Improve coordination of interdepartmental operations by providing multi-department access to comprehensive and real-time data of account information;
- Enable City staff to analyze data by customer payment type, identify trends and effectively project revenue; and
- Streamline the ability to gather and report performance data.

This matter was reviewed by Deputy City Attorney Lori Conway and Budget and Performance Management Bureau Manager David Wodynski on May 7, 2007.

TIMING CONSIDERATIONS

City Council action on this matter is requested on May 15, 2007 in order to enter into the agreement and implement the new billing process as soon as possible.

FISCAL IMPACT

Total costs for the software and equipment procurement, required interfaces and project management services associated with the requested ambulance billing and collection system are estimated at \$300,000, \$166,000 of which relate to the Zoll contract covered by this action. Existing resources of \$115,000 have been reserved in the General Services Fund (IS 385) in the Department of Technology Services (TS) for this project, and it is projected there will be adequate appropriation to accommodate the expense. The remaining \$185,000 in project costs will be lease-financed, to be repaid over a four-year period. The Department of Financial Management will bring forward an appropriation request for this amount when the lease-financing is brought to the City Council for approval.

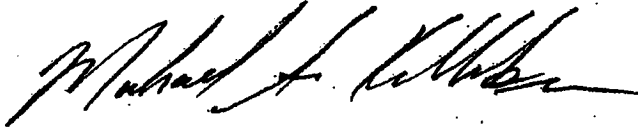
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May 15, 2007
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The current annual ambulance billing and collection system cost for technical support, maintenance and system usage is \$528,217, resources for which are currently budgeted in the General Fund (GP) in the Fire Department (FD). Though the Fire Department will no longer be a user of the current billing and collections system, creating a savings of \$85,000, they will be charged an annual cost for ongoing maintenance and technical support of the Zoll ambulance billing and collection system (including debt service payments of \$51,000) at a cost of approximately \$86,000. However, the fixed costs of the current billing and collection system of \$85,000 will be passed on to the remaining users (e.g., Marinas, Airport, Police Department).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:

for 
GERALD R. MILLER
CITY MANAGER