

**CITY COUNCIL
COMMUNICATION:**

03-082

AGENDA:

FEBRUARY 24, 2003

SUBJECT:

AMENDMENT TO
AMBULANCE BILLING
CONTRACT WITH
TEAM TWO INC.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

PHILLIP C.
VORLANDER
FIRE CHIEF

ITEM 37

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

SYNOPSIS —

Amendment to three sections of the ambulance billing contract between the City of Des Moines and Team Two Inc. (Josh Engman, President, PO Box 71069, Des Moines, IA) (Vendor).

FISCAL IMPACT —

The proposed decrease in the percentage paid to Team Two Inc. would generate a cost savings of approximate \$42,000 annually.

RECOMMENDATION —

Approval.

BACKGROUND —

On February 12, 2001, by Roll Call No. 01-405, the City Council approved a contract between the City of Des Moines and Team Two Inc. to provide ambulance billing services for the fire department. The contract provided compensation of 8% on collected monies resulting from the ambulance service. The contract also provided for a 30-day termination notice for both parties and a contract period to run from February 12, 2001 to June 30, 2003 with two (2) one-year renewal options.

On December 18, 2002 by Roll Call No. 03-3007 the City Council approved an increase in base ambulance rates from \$400 to \$500. As a result of the increase in ambulance rates and no commensurate increase in their workload, the Vendor has agreed to a reduction of fees for billing services from 8% of gross revenues to 6% of gross revenues. The 6% rate will commence with transports occurring on March 1, 2003.

The City is also requesting an amendment to increase from 30-day to 90-day written notification of termination of contract on the part of both the Vendor and the City.

The Vendor desires the City's approval to place an additional one-year extension to the contract to terminate on June 30, 2006 by

mutual agreement of both parties.

All other sections of the contract shall remain in force.