

Date December 7, 2009

AFFIRMING HEARING OFFICER'S REPORT ON APPEALS OF RFP EVALUATION AND
SELECTION COMMITTEE RECOMMENDATION FOR AWARD OF CONTRACT FOR THE
PROVISION OF AMBULANCE BILLING AND COLLECTION SERVICES TO INTERMEDIX,
ACCEPTING PROPOSAL OF INTERMEDIX AND APPROVING AWARD OF CONTRACT TO
INTERMEDIX, AND AUTHORIZING THE FINANCE AND FIRE DEPARTMENTS TO
NEGOTIATE, AND THE CITY MANAGER TO EXECUTE, A CONTRACT FOR THE
PROVISION OF SAME

WHEREAS, the Finance Department prepared a Request for Proposals (RFP) to solicit ambulance billing and collection services for a three (3) year period with three (3) twelve (12) month renewal options, and the Procurement Division solicited proposals for such services by submitting RFPs to twenty-one (21) potential proposers with four (4) proposals received; and

WHEREAS, an Evaluation and Selection Committee comprised of Finance Department and Fire Department staff members reviewed the proposals and recommended the selection of Intermedix (Doug Shamon, President & CEO), 6451 North Federal Highway, Suite 1002, Fort Lauderdale, FL 33308, as the highest scorer based on the weighting criteria described in the RFP; and

WHEREAS, an appeal of the Evaluation and Selection Committee's recommendation was filed by two proposers who were not recommended by the Committee, Team Two, Inc. and Billing 911; and

WHEREAS, the Hearing Officer appointed by the City Manager reviewed such appeals, and a report for each has been made affirming the objections made by both appealing proposers to the calculation of the fee score in the Evaluation Criteria, and overruling all other objections of the appealing proposers, pursuant to the RFP appeal process under Section 2-756 of the Procurement Ordinance and the provisions of the RFP; and

WHEREAS, the Hearing Officer report instructed the Evaluation and Selection Committee to reevaluate all proposals considering the fee scoring standards specified by the RFP and articulated in the report; and

WHEREAS, the Evaluation and Selection Committee reevaluated the fee criteria for all proposals per the instructions in the Hearing Officer report and recommended the selection of Intermedix as the highest scorer based on the weighting criteria described in the RFP.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the City Council hereby affirms the report of the Hearing Officer affirming the objections of Team Two, Inc. and Billing 911 regarding calculation of the fee score in the Evaluation Criteria and overruling all other objections.

★ Roll Call Number

Agenda Item Number

61

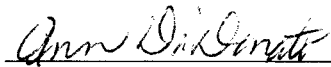
Date December 7, 2009

BE IT FURTHER RESOLVED that the City Council hereby accepts and approves the proposal submitted by Intermedix for ambulance billing and collection services and the Finance Department and Fire Department are authorized to negotiate an agreement with Intermedix to provide ambulance billing and collection services, subject to the review and approval as to form by the Legal Department, and the City Manager is authorized and directed to execute said agreement for and on behalf of the City of Des Moines, and the City Clerk is authorized to attest to his signature, and the Finance Director/City Treasurer is authorized to execute the three (3) twelve (12) month renewal options.

(Council Communication No. 09- 846)

Moved by _____ to adopt.

Approved as to form:



Ann DiDonato

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VCLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

November 25, 2009

Report to City Council and Billing 911 Re: Review by Hearing Officer on Appeal of 911 Concerning Evaluation and Selection Committee's Recommendation as to Selection of Intermedix as Best Proposal for Ambulance Billing Services (RFP No. V09-125)

Billing 911, 819 Main Street, Watson town, PA, 17777, filed a written appeal timely received by the Procurement Administrator on November 19, 2009, with two subsequent communications received, one on November 19 and the other on November 20, that will be included in this review, to the Notice of Intent to Award issued by the Procurement Administrator informing the proposers of the Evaluation and Selection Committee's recommendation to be made to the City Council to award the Ambulance Billing Services contract to Intermedix ("Billing 911 Appeal").

In response to this appeal, a notice of pending appeal was sent to all proposers. I, Merrill R. Stanley, Deputy City Manager, was appointed by the City Manager to act as the Hearing Officer.

I have completed an evaluation of the Committee's evaluation and selection recommendation process based on the record as it relates to the objections raised in the Billing 911 Appeal.

The Billing 911 Appeal consists of several assertions of improper handling or scoring of the Billing 911 proposal. Those objections/assertions are summarized below and my findings (in italics) immediately follow.

1. Information presented as the scoring standards on page 41 of the RFP were not adhered to.
Finding - A review of the scoring used by the Evaluation and Selection Committee indicates that they used an estimated amount of total collections as the basis for the fee calculation. The total amount of collections they used included "anticipated revenue per transport by call date", shown on Attachment 4, as a part of the calculation. The correct calculation of fees, per the terms of the RFP, would be \$3,200,000 multiplied by the "Percentage of monthly ambulance billing collections to be paid to the successful proposer" listed on Attachment 4, plus \$200,000 multiplied by the "Percentage of collection agency/Iowa Income Offset collections to be paid to the successful proposer" listed on Attachment 4. The "Anticipated revenue per transport by call date" listed on Attachment 4 would be used only in the scoring of the "Ability to Maximize Collections" criteria. This objection is affirmed.
2. With over ten years of experience in the industry and clients throughout the country, our experience and capabilities we also feel were severely underscored at only 66% (20 out of 30) and our ability to maximize collections

November 25, 2009

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underrated with our clients averaging over a 55% collection rate, well above the current vendor for the City of Des Moines.

Finding - Scoring for this criteria is not an absolute scoring, but is a ranking in comparison to the other proposers. The score is based on the collective judgment of the Evaluation and Selection Committee.

This objection is overruled.

3. At no point in the RFP process was any consideration granted for minority owned business, a standard practice utilized by most government entities.

Finding - The City of Des Moines does not provide incentives to minority owned businesses in its procurement processes.

This objection is overruled.

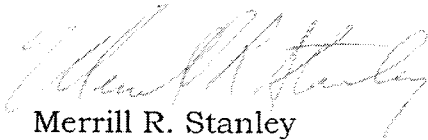
4. We have learned that our references were never contacted by the Selection Committee.

Finding - There is no requirement that references be contacted. Reference checking is performed at the discretion of the Evaluation and Selection Committee if and when it deems it to be appropriate and necessary. It is customary for initial scoring to be based on the written proposal with reference checking performed only on the top scoring proposers.

This objection is overruled.

Following my review of the assertions and findings listed above, I find that the appeal is affirmed due to the scoring of the "Fees" criteria. A copy of this report will be sent to the Evaluation and Selection Committee with instructions to reconvene and reevaluate all proposals considering the contents of the findings. All proposers will be contacted with the results of the Committee's subsequent decision.

Respectfully Submitted,



Merrill R. Stanley
Deputy City Manager and Hearing Officer

c: Richard A. Clark, City Manager
RFP V09-125 Evaluation and Selection Committee
Team Two
Intermedix
SGS Ambulance Billing Service

November 25, 2009

Report to City Council and Team Two, Inc. Re: Review by Hearing Officer on Appeal of Team Two, Inc. Concerning Evaluation and Selection Committee's Recommendation as to Selection of Intermedix as Best Proposal for Ambulance Billing Services (RFP No. V09-125)

Team Two, Inc., 13001 Sunset Terrace, Clive, IA, 50325, filed a written appeal timely received by the Procurement Administrator on November 17, 2009, with two subsequent communications received, one on November 19 and the other on November 23, that will be included in this review, to the Notice of Intent to Award issued by the Procurement Administrator informing the proposers of the Evaluation and Selection Committee's recommendation to be made to the City Council to award the Ambulance Billing Services contract to Intermedix ("Team Two, Inc. Appeal").

In response to this appeal, a notice of pending appeal was sent to all proposers. I, Merrill R. Stanley, Deputy City Manager, was appointed by the City Manager to act as the Hearing Officer.

I have completed an evaluation of the Committee's evaluation and selection recommendation process based on the record as it relates to the objections raised in the Team Two, Inc. Appeal.

The Team Two, Inc. Appeal consists of several assertions of improper handling or scoring of the Team Two, Inc. proposal. The November 23 letter provides detailed explanations of assertions summarized in the November 17 and 19 letters, so this report focuses on the November 23 letter. Those objections/assertions are summarized below and my findings (in italics) immediately follow:

1. The City failed to follow the "Estimated Schedule of Events", in all respects, after the sealed bids were submitted on June 26, 2009.
 - a. Team Two did not participate in a proposer interview, as none was scheduled.
*Finding – The RFP did not commit to interviews for all proposers. Interviews were conducted for the top two rated firms following the Evaluation and Selection Committee's review of the written proposals.
 This objection is overruled.*
 - b. The proposer bids were not timely evaluated and considered. No City Council approval took place in August 2009.
*Finding – This statement is accurate, however, the City arranged and Team Two agreed to an extension of the current contract to allow time to receive the results of a citywide fee study prior to the award. The fee study results could have had a bearing on the outcome of the Ambulance Billing reimbursement amounts.
 Since Team Two was a party to the contract extension, this objection is overruled.*
 - c. The contract start date will not be October 1, 2009.

Finding – Same comment as 1b. This objection is overruled.

- d. The method of appeal set forth in Mr. Valen's letter of November 13, 2009, is inconsistent with the appeal process set forth in the RFP.

Finding – This statement is correct. The statement in Michael Valen's letter of November 13, 2009 states a deadline to file an appeal of 12:00 Noon, November 19th. The RFP, Exhibit 1, Section 12, states that the appeal must be filed within 10 days after the Evaluation and Selection Committee files its report with the City Manager. This would allow appeals to be filed until 12:00 Noon, November, 25, 2009.

However, Team Two was provided ample opportunity to file an appeal. Your decision to file an appeal was apparently made by November 17, the date of your first letter to the City Manager. Following your November 19 letter, you received an email from me as the Hearing Officer seeking more details of your concerns, with the statement "I would appreciate a reply by the close of business, Friday, November, 20. If more time is needed, please let me know." The City's willingness to allow you adequate time to file your appeal maintains the fairness of this process. This objection is overruled.

2. It is obvious from the manner in which the proposals were graded that the City failed to objectively evaluate the proposals.

Finding – This objection is too vague to make a reasonable judgment on its merits. This objection is overruled.

3. Team Two has successfully and fully administered its contracts with the City of Des Moines for the last eleven years, and

- a. its "experience and capabilities" should have received a maximum grade.

Finding – Scoring for this attribute is not an absolute scoring, but is a ranking in comparison to the other proposers. The score is based on the collective judgment of the Committee. This objection is overruled.

- b. Further, due to excellent performance, Team Two should have received the maximum grade with respect to "ability to maximize collections".

Finding - This scoring of this criteria is based on the collective judgment of the Committee. This objection is overruled.

- c. Team Two submitted a proposal containing a bid of 3.75% and should have, therefore, received the maximum grading for "fees".

Finding – Attachment 4 of the RFP contains the proposer's proposed fee schedule. It also contains the statement: "For the purpose of proposal evaluation only, the selection committee will assume that the proposer will collect \$3,200,000 and the collection agency will collect \$200,000. Given that Team Two proposed the lowest fees as a percentage of collections, they should receive the highest score for this criteria. This objection is affirmed.

- d. Team Two is a local company and should have, therefore, received maximum grading for local "preference".

Finding – Team Two’s headquarters is not within the corporate limits of the City of Des Moines, and is therefore, not entitled to local preference points. A copy of the applicable section of the Municipal Code follows.

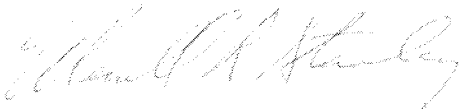
Sec. 2-706. Determination of eligibility for local preference.

For purposes of determining if a business is entitled to a local preference, the business shall be considered to be a local business if its headquarters, or the headquarters of its parent or holding company, is determined to be within the corporate limits of the city, determined by the payment of city property taxes on such headquarters occupied by the business for a period of at least one year prior to award, or by the payment of rent to a landlord paying city property taxes on such headquarters occupied by the business for a period of at least one year prior to award. This objection is overruled.

Following my review of the assertions and findings listed above, I find that the appeal is affirmed due to the scoring of the “Fees” criteria. A review of the scoring used by the Committee indicates that they used an estimated amount of total collections as the basis for the fee calculation. The total amount of collections they used was based on the “anticipated revenue per transport by call date” included on Attachment 4, multiplied by the proposed fee percentage. The correct calculation of fees, per the terms of the RFP would be \$3,200,000 multiplied by the “Percentage of monthly ambulance billing collections to be paid to the successful proposer” listed on Attachment 4, plus \$200,000 multiplied by the “Percentage of collection agency/Iowa Income Offset collections to be paid to the successful proposer” listed on Attachment 4. The “Anticipated revenue per transport by call date” listed on Attachment 4 would be used only in the scoring of the “Ability to Maximize Collections” criteria.

A copy of this report will be sent to the Evaluation and Selection Committee with instructions to reconvene and reevaluate all proposals considering the contents of the findings. All proposers will be contacted with the results of the Committee’s subsequent decision.

Respectfully submitted,



Merrill R. Stanley
Deputy City Manager and Hearing Officer

c: Richard A. Clark, City Manager
RFP V09-125 Evaluation and Selection Committee
Billing 911
Intermedix
SGS Ambulance Billing Services
Louis R. Hockenberg, Attorney for Team Two, Inc.