



**Grand Jury**  
County of San Joaquin  
Courthouse  
222 East Weber Avenue-Room 303  
Stockton, California 95202  
(209)468-3855

**FINAL REPORT**  
**CASE # 0805 / SAN JOAQUIN COUNTY HEALTHCARE SERVICES**

**REASON FOR INVESTIGATION:**

The 2005/06 Grand Jury investigated a complaint concerning the Request for Proposal (RFP) surrounding the awarding of the Ambulance contract by the County of San Joaquin Board of Supervisors (BOS). The complaint alleged that San Joaquin County Health Care Services Agency and its division, Emergency Medical Services (EMS), failed to adhere to correct and specified procurement processes in recommending advanced life support (ALS) ground ambulance services to the BOS via the RFP process. Specifically, the scoring and weighting of the RFP applications submitted and the makeup of the RFP review committee were brought into question. In addition, an allegation about a possible conflict of interest was raised pertaining to the RFP review committee member composition and the award of the contract to American Medical Response-West (AMR).

**BACKGROUND:**

San Joaquin County is served by seventeen fire departments. Three of the fire departments provide ALS services and fourteen provide basic life support service. In the late 1970s San Joaquin County was divided into eight ambulance zones providing service to Lodi, Stockton, Tracy, Manteca/Lathrop, Ripon and Escalon. All emergency ambulance service dispatching within the county was done by the Stockton Fire Department's regional dispatch center.

San Joaquin County submitted its "EMS Transportation Plan" to the State of California EMS Authority for approval, which was granted. This approval was required because of the County's intention to replace marketplace competition with an exclusive operating area.

The County of San Joaquin thereafter invited experienced and qualified bidders to submit proposals to provide Emergency ALS ambulance services in three zones (Lodi/Zone A; Stockton/Zone B; and Tracy/Zone C) via an RFP. Bidders could elect to bid on all three zones or individually bid upon any combination of zones. The successful bidder was granted a contract for exclusive market rights as provided under Section 1797.224 of the California Health and Safety code for emergency ambulance service for a five year period, with a five year option.

- A bidder's conference was held on August 4, 2005.
- Bid proposals and submittals were due on September 22, 2005.

- The Proposal Review Committee met on October 12-14, 2005.
- On October 20, 2005, the Director, Health Care Services Agency, made an announcement identifying the selected bidder.
- October 27, 2005 was the final date for submitting protests; two letters of protest were submitted on this date.
- November 15, 2005 was the final recommendation of award to the BOS by the Health Care Service Agency Director and Declaration of Intent to contract by BOS with a performance security bond due upon signing of contract.
- January 17, 2006 the final negotiated contract was completed and approved by the BOS.
- Services on the contract are scheduled to begin on May 1, 2006, at 8 a.m.

#### **METHOD OF INVESTIGATION:**

A review of the RFP for the Ambulance contract was conducted by the Grand Jury. Several of the bidders' submittals, protest letters and responses and supporting documents were also reviewed. The video recording of the BOS meeting of November 15, 2005 was reviewed. The Grand Jury also visited the AMR Dispatch Center in Salida. In addition, interviews were conducted by members of the Grand Jury of the following people:

Kenneth B. Cohen, Director, Health Care Services Agency  
 Dan Burch, EMS Administrator, San Joaquin County Emergency Medical Services  
 Dave Hafey, Deputy Fire Chief, City of Stockton Fire Department  
 Michael D. Parker, Priority One Medical Transport, Inc.

#### **FINDINGS:**

Following an extensive review, the Grand Jury has determined that the RFP process and award of the Ambulance contract to AMR was consistent with the RFP. The members found no violations of policies and procedures by individuals involved with the RFP process, by the Proposal Review Committee or in the award of the contract by the BOS and/or county representatives.

Two of the bidders submitted protest letters regarding the decision to award AMR the contract by the BOS. In the responses submitted by the Health Care Services Agency many of the explanations were generic, vague, and nonspecific (i.e., "The information submitted by AMR-West meets the requirements of the RFP").

The language of the RFP, with regards to the evaluation and scoring process, could have been more specific. The RFP stated that the "Proposal Review Committee will develop a rating system that may or may not contain a point system. Each reviewer shall rank each proposal according to the individual reviewer's judgment as to the relative merits of the competing proposals" (Section 2.10 of RFP). No formal ranking/scoring system was used by the RFP

review committee; therefore no documentation of the scoring process was saved or available when later requested.

The BOS, through the RFP process, appears to have adhered to policies and procedures. Specifically, the use or non-use of scoring systems in the rating process, the selection by the review committee, and maintenance of all records/documents for public review are all critical elements in maintaining the integrity of this process. In RFP section 2.11, Waiver of Requirements, the County reserves the right to waive any RFP requirements it deems in the best interest of the County, which therefore provided the review committee the ability to alter the rating process. In submitting their applications, the bidders accepted the provisions of the RFP.

Additionally, each member of the Proposal Review Committee signed a Conflict of Interest Statement which clearly certifies that they were not employed, served as an officer, or held an equity interest in any of the companies/bidders. Given the unique nature of the professionals comprising the Proposal Review Committee involved in the RFP process and their knowledge about ambulance service, the perception that there may be a conflict of interest is present and presumed by some. AMR is a nationally recognized medical response provider which interacts with a large number of professionals in related fields throughout the state. Some cursory contact with AMR could result in the normal course of business, falling well short of presuming a conflict of interest. The Grand Jury members found no evidence of conflict of interest in the composition of the review committee or the rating process.

As a result of this process and the awarding of the ambulance contract to AMR, the Grand Jury has a heightened awareness of the issues in public safety and services related to this change in ambulance services. Questions have been raised during this investigation regarding the number of ambulances which will serve the County under the new plan, the functioning of an out-of-county dispatch center, and the response time to calls for emergency medical services. These questions cannot be answered at the present time. The investigation of the Grand Jury was focused upon the RFP process as it pertains to policy and procedures only and not upon the feasibility/viability of the services that may be delivered. Next year's Grand Jury may elect to assess the impact of this change on the health and safety of county residents.

**RECOMMENDATIONS:**

In an effort to avoid or mitigate misunderstandings with future RFPs, it is recommended that:

1. A scoring system be clearly defined in advance to assist in properly and thoroughly evaluating applications and in adhering to the selection process.

2. The scoring system/sheet be included as part of the supporting documentation in the RFP.
3. Said scoring sheets be retained as part of the evidentiary chain in the event of challenges or appeals in awards.
4. The review committees receive clear and precise training/information as to their role and responsibilities in reviewing and rating applications.
5. The proposal review committee members examine each proposal/application independently so as to avoid the appearance or implication of impropriety in making a recommendation for selection. Once all reviews have been completed, an examination of all recommendation/selections should be made by the selection committee in an open forum with an impartial County representative present.
6. The selection/award process should be formally developed by the selection committee and presented in writing, along with all supporting documentation.
7. In the interest of disclosure and openness, responses to complaints might have been less dismissive. Responses to appeals/challenges submitted by bidders who were not selected should specifically detail the reason(s) for each item/objective raised and avoid a generic response without substantiation.
8. The BOS should direct that an analysis of the adequacy of the ambulance service at six months and twelve month intervals be conducted (November 2006 and May 2007), submitting a copy to the 2006/07 Grand Jury.

**RESPONSE REQUIRED:**

**Pursuant to Section 933.05 of the Penal Code:**

The San Joaquin County Board of Supervisors shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed (6) six months.
- d. The recommendation will not be implemented, with an explanation therefore.