

**PLACER COUNTY
OFFICE OF EMERGENCY SERVICES**

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Thomas M. Miller, County Executive Officer
By Rui Cunha, Program Manager

DATE: April 6, 2010

SUBJECT: Ordinance and Fee Schedule Relating to Cost Recovery from At-Fault, Non-Placer County Fire Residents Automobile Insurance Policies for Services Rendered by Placer County Fire at Motor Vehicle Accidents within the Placer County Fire Direct Protection Area.

ACTION REQUESTED

That your Board:

- (1) Conduct a public hearing.
- (2) Adopt an ordinance amending Placer County Code, Article 2.116 by adding Section 2.116.174 thereto relating to fees for service provided by Placer County Fire to at-fault, non-Placer County Fire residents involved in motor vehicle accidents.
- (3) Approve a resolution establishing a Fee Schedule to incorporate those rates customary and reasonable for fire service cost recovery through automobile insurance policies.
- (4) Approve an exemption from the competitive bidding process based on findings consistent with the Placer County Procurement Policy and authorize the Procurement Officer sign a one year contract for billing services.

DISCUSSION

Background: A significant year-round demand on Placer County Fire (PCF) is responding to motor vehicle accidents (MVA) where the at-fault driver is not a resident and is not contributing financially to the Placer County Fire system. PCF, similar to many fire departments throughout the State of California, provides a direct benefit commensurate with community funding levels for fire service. Fire service calls in support of non-residents negatively impact community funded service levels as costs have been absorbed with no current opportunity for recoupment. For example, in calendar year 2009, PCF responded to 529 MVA's which, at a minimum, necessitated an engine company response. Of the 529 calls it is estimated that 370 were to support non-residents who benefited from the service for which they make no contribution. Each response contributes to equipment wear and tear, consumes expendable supplies and commits PCF personnel and equipment so that they are not available to other calls in support of residents who do contribute to fire service.

Most automobile insurance policies include emergency response coverage in the amount of approximately \$500. Therefore, as anyone operating a motor vehicle is required to maintain insurance coverage, it is reasonable to recover emergency response costs, and recovery claims are being paid by at-fault driver's automobile insurance in jurisdictions that have chosen to recover costs through vehicle insurance claims. The PCF direct response area has three major highways (I-80 and State Highways 49 and 65), several less traveled highways and other high traffic areas that increase the number of non-resident drivers traveling through the area.

Present Situation: Placer County Fire, and other fire entities within the county, continue to seek methods to maintain a high level of service to its constituent communities even as demand for service continues to rise and property tax revenues continue to decline. A preliminary feasibility review of the MVA charge to at-fault, non-Placer County Fire residents' insurance suggests that Placer County Fire could recover up to \$120,000 in annual costs. Therefore, an amendment to Article 2.116 of Placer County Code is proposed in order to allow for that cost recovery. Residents of the Placer County Fire direct response area will be exempt from this amendment.

While the method of cost recovery billing seems simple, many jurisdictions choose to use an experienced third party cost recovery company. The experience and advanced billing methods of such a company generates much higher claim reimbursement rates. At present, the County does not have the staff or experience to consider handling these reimbursement claims in-house. The most expedient method to begin revenue recovery is to enter into a one-year term contract with just such a company, Fire Recovery USA, to process reimbursement claims while County staff gains a better understanding of this cost recovery model. Within one year, County staff would assess contract renewal for cost recovery services and make recommendations to either continue with Fire Recovery USA, seek alternative cost recovery services through a formal RFP process, or assume cost recovery through the Revenue Services Division of Placer County Administrative Services Department.

The recommended cost recovery claims processed by Fire Recovery USA are based on rates established as reasonable and customary by Fire Recovery USA and currently used for cost recovery claims by more than one hundred fire districts or departments (see Illustrative Claims for Various Responses to Motor Vehicle Accidents - attached). Within Placer County, Fire Recovery USA provides cost recovery services to the following local fire entities:

- | | |
|---------------------------------------|---------------------------------------|
| City of Roseville | City of Colfax |
| South Placer Fire Protection District | Loomis Fire Protection District |
| Penryn Fire Protection District | Newcastle Fire Protection District |
| Foresthill Fire Protection District | Placer Hills Fire Protection District |

The City of Rocklin and North Tahoe Fire Protection District are also working toward MVA cost recovery through Fire Recovery USA. These fire service entities use the Fire Recovery USA fee schedule for cost recovery claims, and claims processing can be established within 60 days of executing a contract for service (assuming your Board's approval of the Ordinance). Fire Recovery USA fees are based on a percentage of cost recovery revenue, and its fee to administer this program is 20% of collected revenues with no cost to the County for uncollected revenues. As an added benefit, Fire Recovery USA will extend more favorable pricing, a reduced fee of 17% of collected revenues, to the County for the first six months of the agreement. Fire Recovery USA will process only those claims submitted by senior Placer

County Fire station staff and will act on behalf of the County regarding claims as it would be designated the County's primary point of contact. However, Placer County always retains final authority in determining how Fire Recovery USA processes cost recovery claims.

Benefits to the Local Communities: As noted previously, the current economy has reduced tax revenues for all emergency response entities requiring actual or proposed changes in services levels. As the population and travel patterns increase requiring additional emergency responses, this partial cost-recovery option, if approved by your Board, allows for the reimbursement of some costs thereby helping sustain appropriate service levels to the tax-paying residents of Placer County.

Cost Recovery Summary: Fire Recovery USA's fee is 20% of the revenues collected on behalf of Placer County Fire. However, Fire Recovery USA's administrative fee will be 17% of collected revenues for the first 6 months. Thereafter, Fire Recovery USA's administrative fee increases to 20% provided that their collection rate for the preceding six months is 65% or greater. Revenues collected will be deposited in either the Fire Control Fund or the appropriate zone of benefit and will reimburse a portion of the emergency response cost. Adoption of this ordinance and the subsequent cost recovery claims are expected to generate approximately \$120,000 in fiscal year 2010/2011.

Exemption to Competitive Bidding Requirements: Placer County Procurement Policy provides for an exception to a competitive bidding process when for example, a City or other public agency, conducts a normal competitive bid process, such as was done by the City of Roseville.

Specifically, Section 1.3(e) states in part that an exception is valid if the product or service is purchased from a "...private vendor which has an agreement or contract with another public agency and such private vendor produces satisfactory documentation that:

- (i) such other contract is currently then in effect, and
- (ii) such agreement or contract was let through a competitive process, such as competitive written bids, request for proposals, informal quotations or competitive evaluations such as the California Multiple Award Schedule (CMAS), for such items, and
- (iii) such items to be acquired by the County of Placer are of comparable description and quality as the items described in such other governmental contract, and
- (iv) the price of such items to be acquired by the County of Placer is not greater than that specified in such other governmental contract;"

Fee Schedule: The proposed fees are recognized by the insurance industry as customary and reasonable, and can begin to be charged 60 days from the effective date of the ordinance. Fire departments have found that most cost recovery claims based on these accepted fees result in prompt payment of claims. The ordinance provides that fees may be adjusted from time-to-time as approved and adopted by your Board.

FISCAL IMPACT

There is no impact to the General Fund as a result of this action.

Attachment

Illustrative Claims for Various Responses to Motor Vehicle Accidents
Ordinance
Resolution

Illustrative claims for various responses to Motor Vehicle Accidents

Claims are based on length of response and complexity. Each example below indicates a varying level of complexity and covers the first hour of response. All claims are based on actual response capabilities employed. Billing for a response which extends beyond one hour is in 30 minute increments.

Example 1 - Accident lasting less than an hour in which only trace amounts of petroleum products are spilled on the roadway- Total claimed: \$435 - computed as follows:

1. \$400 - Equipment and personnel mitigation fee.
Includes one (1) fire engine with three (3) trained fire personnel.
2. \$35 - Hazardous Material Assessment and Scene Stabilization.
Includes: gloves, traffic cones, caution tape, flares, and personnel to secure safe traffic lanes.

Example 2 - Accident in which measurable quantities of petroleum spills onto the roadway or shoulder requiring traffic control, and rapid site remediation - Total claimed: \$495 - computed as follows:

1. \$400 - Equipment and personnel mitigation fee.
Includes one (1) fire engine with three (3) trained fire personnel.
2. \$65 - Hazardous Material Assessment and Scene Stabilization.
Includes: gloves, traffic cones, caution tape, flares, and personnel to secure safe traffic lanes.
3. \$30 - Vehicle Fluid and/or Debris Clean-up.
Includes proper clean up with absorbent and removal from the city/county street. Please refer to the Federal Traffic Clean Water Act

Example 3 - Accident in which one or more vehicles are on fire, and petroleum products in measurable quantities are released onto street or into storm gutters - Total claimed: \$605 - computed as follows:

1. \$400 - Equipment and personnel mitigation fee.
Includes one (1) fire engine with three (3) trained fire personnel.
2. \$65 - Hazardous Material Assessment and Scene Stabilization.
Includes equipment: gloves, traffic cones, caution tape, flares, and personnel to secure safe traffic lanes.
3. \$110 - Fire Suppression.
Breathing Air, Rescue Tools, Hand Tools, Hose, Tip Use, Foam, Structure Protection.
4. \$30 - Vehicle Fluid and/or Debris Clean-up.
Includes proper clean up with absorbent and removal from the city/county street. Please refer to the Federal Traffic Clean Water Act

Example 4 - Complex accident involving more than one vehicle in which one or more drivers or passengers must be extracted from the vehicle through use of heavy rescue equipment - Total claimed: \$1800 - computed as follows:

1. \$400 - Equipment and personnel mitigation fee.
Includes one (1) fire engine with three (3) trained fire personnel.
2. \$250 - Command Unit.
Includes one (1) scene commander.
3. \$65 - Hazardous Material Assessment and Scene Stabilization.
Includes equipment: gloves, traffic cones, caution tape, flares, and personnel to secure safe traffic lanes.
3. \$1,055 - Extrication.
Heavy rescue truck & tools, ropes, airbags, cribbing etc.
4. \$30 - Vehicle Fluid and/or Debris Clean-up.
Includes proper clean up with and removal absorbent from the city/county street. Please refer to the Federal Traffic Clean Water Act

Example 5 - A more serious accident with a serious petroleum spill, and requiring the extrication of driver(s) and/or passenger(s) followed by a helicopter evacuation. A command vehicle responded to the scene and was used. - Total claimed: \$2200 - computed as follows:

1. \$400 - Equipment and personnel mitigation fee.
Includes one (1) fire engine with three (3) trained fire personnel.
2. \$250 - Command Unit.
Includes one (1) scene commander.
3. \$65 - Hazardous Material Assessment and Scene Stabilization.
Includes equipment: gloves, traffic cones, caution tape, flares, and personnel to secure safe traffic lanes.
3. \$1,055 - Extrication.
Heavy rescue truck & tools, ropes, airbags, cribbing etc.
4. \$30 - Vehicle Fluid and/or Debris Clean-up.
Includes proper clean up with absorbent and removal from the city/county street. Please refer to the Federal Traffic Clean Water Act
5. \$400 - Equipment and personnel usage fee.
Includes one (1) fire tanker engine with minimum two (2) trained fire personnel to create and secure landing zone for helicopter.

Before the Board of Supervisors County of Placer, State of California

In the matter of: **AN ORDINANCE AMENDING
ARTICLE 2.116 OF THE PLACER COUNTY
CODE TO ESTABLISH AND IMPLEMENT A
PROGRAM TO CHARGE USER FEES FOR
DEPLOYMENT OF PLACER COUNTY FIRE
ASSETS IN RESPONSE TO MOTOR VEHICLE
ACCIDENTS**

Ord No: _____

First Reading: _____

The following **ORDINANCE** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **APRIL 6, 2010** by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board _____

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES HEREBY ORDAIN as follows:

That Article 2.116 of the Placer County Code is hereby amended and shall read as follows:

CHAPTER 2: ADMINISTRATION

Article 2.116 Administrative Fees

2.116.174 Fees for Placer County Fire cost recovery in response to at-fault, non-resident motor vehicle accidents

Placer County shall initiate user fees for the delivery of fire and rescue services, personnel, supplies and equipment to the scene of motor vehicle accidents occurring within the direct protection area of Placer County Fire. The rate of user fees shall be that which is usual, customary and reasonable which may include any services, personnel, supplies and equipment. User fees will only apply to non-residents of the Placer County Fire direct protection area who have been determined to be "at-fault" in the accident. Responses involving intoxicated drivers will be billed pursuant to California Vehicle Code section 53150.

The user fees shall be billed to the motor vehicle insurance carrier for all accidents or incidents involving at-fault, non-Placer County Fire residents, representing an add-on cost to the claim for damages to vehicles and property and/or for injuries.

All amounts collected as a result of this ordinance shall be placed in the Fire Control Fund or in the pertinent Placer County Fire Zone of Benefit to recover actual costs incurred as a result of the response to the motor vehicle accident.

A schedule of billing charges to be used in all insurance recovery actions shall be as prescribed in the Placer County Fire Motor Vehicle Accident User Fee Schedule which is maintained by the Office of Emergency Services and updated, as required, during annual contract renewal negotiations.

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: _____

**A RESOLUTION ESTABLISHING A FEE SCHEDULE FOR
USE IN COST RECOVERY FROM AUTOMOBILE INSURANCE
OF NON-RESIDENTS OF THE PLACER COUNTY FIRE
DIRECT PROTECTION AREA DETERMINED TO BE AT-FAULT
IN MOTOR VEHICLE ACCIDENTS OCCURING IN THE
PLACER COUNTY FIRE DIRECT PROTECTION AREA**

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **APRIL 6, 2010** by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board _____

WHEREAS, a significant year-round demand on Placer County Fire (PCF) is responding to motor vehicle accidents (MVA) where the at-fault driver is not a resident of and is not contributing financially to the Placer County Fire system; and

WHEREAS, Placer County Fire response costs in support of at-fault, non-resident motor vehicle accidents negatively impact community funded service levels if un-recovered

WHEREAS, most automobile insurance policies include approximately \$500 coverage to offset any emergency response, and therefore, as anyone operating a motor vehicle is required to maintain insurance coverage, it is reasonable to recover emergency response costs through vehicle insurance claims; and

WHEREAS, the Fee Schedule incorporated herein by reference and attached as Exhibit A has been determined to be reasonable and customary by the insurance industry and are used by most Fire Departments and Fire Districts in Placer County and by more than one hundred fire districts or departments in California.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer, that Exhibit A, Placer County Fire User Fee Schedule for Motor Vehicle Accident Response is hereby approved.

RESOLVED FURTHER, the Clerk of the Board of the County of Placer shall certify the adoption of this resolution, and thenceforth and thereafter the same shall be in full force and effect.

Placer County Fire

User Fee Schedule for Motor Vehicle Accident Response

Claims are based on actual length of response and complexity of the incident which in turn determines the amount of personnel and equipment involved, supplies used/expended, and clean up involved. The tables below delineate costs to be claimed by (1) apparatus, (2) personnel, (3) hazmat equipment, supplies and fees, (4) protective equipment replacement, and (5) fire equipment used. All claims include basic 911 response and the first hour of response. Billing after the first hour is in 30 minute increments.

1. APPARATUS

1. Class A pumper, per hour	\$ 400.00
2. Aerial apparatus, per hour	\$ 500.00
3. Tanker apparatus, per hour	\$ 300.00
4. Staff vehicle, per hour	\$ 75.00

2. PERSONNEL

1. Firefighter, per hour	\$ 50.00
2. Hazmat tech, per hour	\$ 40.00
3. Incident commander, per hour	\$ 75.00

3. HAZMAT

1. Absorbent, per bag	\$ 30.00
2. Drum liners, each	\$ 8.00
3. Lite-Dri, per 50 lb bag	\$ 20.00
4. Top-Sol, per bag	\$ 30.00
5. Traffic cones, caution tape, flares	\$ 20.00

6. Poly sheeting, per roll	\$ 50.00
7. Plug and patch kit, each	\$ 30.00
8. Disposal Fee	\$ 37.00
9. Latex gloves, 1 pair	\$ 5.00
10. Disposable goggles, 1 pair	\$ 10.00

4. PROTECTIVE EQUIPMENT REPLACEMENT

1. Helmet, each	\$ 350.00
2. Nomex hood, each	\$ 45.00
3. Bunker coat, each	\$ 1,110.00
4. Bunker pants, each	\$ 900.00
5. FF boots, pr, each	\$ 200.00
6. FF gloves, pr, each	\$ 45.00
7. PASS Device, each	\$ 200.00

5. FIRE EQUIPMENT USED

1. Camera with pictures (each set)	\$ 35.00
2. Cellular phone w/long distance charge	\$ 25.00
3. Command light	\$ 250.00
4. Tripod light (each)	\$ 25.00
5. Hand lights (each)	\$ 15.00
6. Water extinguisher (each)	\$ 15.00
7. ABC extinguisher (each)	\$ 40.00
8. CO2 extinguisher (each)	\$ 40.00

9. Purple K extinguisher (each)	\$ 75.00
10. Chain saw (per hour)	\$ 50.00
11. Rescue (K-12) or Partner Saw (per hour)	\$ 40.00
12. Generator (per hour)	\$ 45.00
13. PPV fans (per hour)	\$ 60.00
14. Halligan tool	\$ 20.00
15. Bolt cutters (HD)	\$ 20.00
16. Salvage covers (each)	\$ 30.00
17. Hall runner (each)	\$ 20.00
18. Rolls of plastic (each)	\$ 55.00
19. Gas plug/gasoline plug kit	\$ 45.00
20. Explosive meter	\$ 180.00
21. SCBA (each)	\$ 90.00
22. Refill SCBA bottle (each)	\$ 10.00
23. Barricade/scene tape	\$ 20.00
24. Tank, portable/fold-a-tank	\$ 150.00

