



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: IT Department

Meeting Date: October 21, 2024

Report #:2408-3351

TITLE

Approval of Contract Amendment No. 3 to Contract No. S18171325 with ESO Solutions for a 5-Year Extension, Increasing the Total Not-to-Exceed (NTE) Amount by \$150,007 to \$277,155 for the Fire Department's Records Management System (RMS) and Electronic Patient Care Reporting (ePCR) Software; CEQA Status: Not a Project

RECOMMENDATION

Staff recommends that City Council approve and authorize the City Manager or their designee to execute Amendment No. 3 Contract S18171325 with ESO Solutions Inc. (Attachment A) for Fire Department Operations and Response Management Platform in an amount not-to-exceed (NTE) \$151,007 and extend for an additional 5-years through September 29, 2029. This amendment results in a NTE total amount of \$277,155.

BACKGROUND

The initial Contract No. S18168886 was awarded under PAMC 2.30.360(i) for a one-year term from July 10, 2017, to June 30, 2018, with a total value of \$7,995. This project aimed to transition the Palo Alto Fire Department (PAFD) from paper-based patient care reports (PCR) to an electronic format, aligning with County, State, and National reporting mandates. Following this, Contract No. S18171325 was awarded under PAMC 2.30.360(d) due to the absence of alternative sources, with a three-year term from September 30, 2018, to September 30, 2021, totaling \$45,000. Amendment no. 1 extended this contract to September 29, 2024, with a revised NTE amount of \$116,148. Subsequently, Amendment no. 2 allocated an additional \$10,000 for optional EHR add-on software and increased reporting services, bringing the NTE value to \$126,148.

ANALYSIS

The Palo Alto Fire Department (PAFD) seeks approval for Amendment No. 3 to Contract No. S18171325, extending it by five years through September 29, 2029, and increasing the contract's NTE value by \$151,007, totaling \$277,155. This extension will ensure continued

access to ESO's Records Management System (RMS) and Patient Care Reporting (ePCR) software, which are integral to the City's Computer-Aided Dispatch (CAD) system. These tools are essential for maintaining Electronic Health Records (EHR) and National Fire Incident Reporting (NFIR) data. Despite exploring alternatives, ESO remains the most cost-effective option, with significantly lower recurring costs and fewer transition expenses.

Following the amendment to the current contract (Amendment 2 term), the PAFD/ITD had committed to Purchasing to initiate a Request for Proposal (RFP) process for a new contract. City reached out to three vendors—ESO, HealthEMS, and ImageTrend Elite. After comparing quotes, staff found ESO to be the most cost-effective option. Switching to ImageTrend Elite or HealthEMS would incur significant additional costs in the first year (\$47,523 and \$48,608 respectively) and higher annual increases (ESO: 5%, HealthEMS: 6%, ImageTrend Elite: 7%). Transitioning to a new vendor would involve significant expenses for initial setup, data migration, and employee training. Given the cost efficiency and PAFD's satisfaction with ESO, staff recommend continuing the partnership with ESO Solutions, Inc.

ESO provides the most cost-effective solution, with the following annual costs:

- Year 1: \$27,779
- Year 2: \$28,591
- Year 3: \$30,020
- Year 4: \$31,521
- Year 5: \$33,098

The contract includes a not-to-exceed amount of \$10,000 for the performance of any Add-on Software and/or increased reporting services. The total compensation for the Master Subscription and License Agreement services, including Add-on Software, will not exceed \$277,155 over the contract term.

Based on operational disruption to the Fire Department, staff executed an exemption from competitive solicitation under PAMC 2.30.360(b)(2) due to the impracticality of soliciting new vendors, given the high costs and potential risks involved.

FISCAL/RESOURCE IMPACT

Funding for this contract amendment in FY 2025 is within budgeted levels adopted by the City Council, no additional funding is requested.

The Information Technology Department is funded by an internal service fund. Approximately 45% of the department is General Fund funded with the remaining 55% funded by Enterprise and special revenue funds. The cost for this contract is allocated directly to the Fire Department in the General Fund.

STAKEHOLDER ENGAGEMENT

The services were coordinated with internal stakeholders and the vendor. The Information Technology Department (ITD) met with PAFD to evaluate their business needs and documented their must-have features. ITD evaluated alternative solutions, but they would incur significantly higher initial setup and ongoing expenses. Given ESO's cost-effectiveness and staff's satisfaction with its performance, ESO remains the preferred choice.

ENVIRONMENTAL REVIEW

The approval of this contract is exempt from review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15061(b)(3) because it can be seen that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENTS

Attachment A: ESO Solutions Contract S18171325 Amendment No. 3

APPROVED BY:

Darren Numoto, Chief Information Officer