



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Submitted on:  
(COB Stamp)

Department Name: Fire  
Department No.: 031  
Agenda Date: April 1, 2025  
Placement: Administrative Agenda  
Estimated Time: N/A  
Continued Item: No  
If Yes, date from: N/A  
Vote Required: Majority

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**TO:** Board of Supervisors, Fire District Board of Directors  
**FROM:** Department Director: Mark Hartwig, Fire Chief/Fire Warden 805-681-5500  
Contact Info: Garrett Huff, Deputy Fire Chief 805-681-5500  
**SUBJECT:** **Recommend to not exercise the subcontract option with American Medical Response for Ambulance Transport in Compliance Zones 4 and 6, and to Initiate the Disposal Process for Surplus Supplies and Equipment**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Fire District Board of Directors:

- a) Receive and file the financial analysis report prepared by Brandt VX at the request of the Fire District, which evaluates the projected revenues, expenses, and long-term sustainability of the proposed subcontract with American Medical Response for emergency medical services in Compliance Zones 4 (Lompoc Valley) and 6 (South Coast).
- b) Provide direction to not exercise the proposed subcontract with American Medical Response for emergency medical services in Compliance Zones 4 (Lompoc Valley) and 6 (South Coast), based on a determination that the proposed system is financially unsustainable for the Fire District.

That the County of Santa Barbara Board of Supervisors:

- c) Authorize the Fire Department to begin the process of disposing of surplus Emergency Medical Service (EMS) vehicles, supplies, and equipment that are no longer needed for operational use.
  - i) Direct the Fire District to follow all applicable state and county policies and procedures for surplus asset disposal, including opportunities for transfer, auction, or sale as appropriate.
- d) Find that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(2) in that they involve continuing

administrative or maintenance activities, and CEQA Guidelines section 15378(b)(5), in that they involve organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

**Summary Text:**

The Fire District recommends that the Board of Supervisors provide direction to not exercise the proposed subcontract under American Medical Response for compliance zones 4 (Lompoc Valley) and 6 (South Coast). A detailed financial analysis of the proposed EMS system was conducted, evaluating projected revenues, expenses, and long-term sustainability.

Findings from that financial analysis show that the system, as proposed, would be financially unsustainable, with projected losses that cannot be recovered under any realistic scenario. This report focuses solely on financial viability; a governance analysis would likely reveal additional risks and costs beyond those quantified here.

Additionally, the Fire District recommends initiating the disposal process for surplus Emergency Medical System (EMS) vehicles, supplies, and equipment purchased for the effort to provide ambulance transport services beyond the District's current operations. These assets are no longer needed for operational use, and their disposition will follow state and county policies for surplus asset management.

**Background:**

On February 11, 2025, the Board of Supervisors directed the Fire District to assess the feasibility of entering into a subcontract agreement with American Medical Response for compliance zones 4 and 6. To conduct this analysis, the Fire District engaged Brandt VX, an EMS fiscal and deployment consultant previously involved in other aspects of the EMS Transport project.

The Fire District also collaborated with the Local Emergency Medical Services Agency (LEMSA) to gather the necessary data. Over a three-week period, the team compiled information, performed an in-depth financial analysis, and prepared this report to inform the Board's decision-making process.

In order to be a qualified bidder to the initial countywide RFP for Ambulance Services the Fire District procured 35 ambulances. The Fire District outfitted the vehicles with equipment, and supplies to support expanded operations after it was awarded the (3) Permits in September of 2023. With the recommendation not to proceed with the proposed subcontract and no immediate need for these surplus assets, the Fire District seeks authorization to initiate the disposal process in accordance with county surplus asset management policies.

**Fiscal and Facilities Impacts:**

The Fire District equipped the ambulance fleet that was acquired for the initial RFP process following the approval of Permits 1, 2, and 3 for countywide operations. This involved outfitting vehicles with specialized EMS equipment and procuring necessary supplies to support the expanded ambulance transport services. Now, strategies will be developed to responsibly surplus these items in a fiscally prudent manner.

The Fire District will first attempt to return as much equipment as possible to vendors in accordance with return policies and contractual terms. For items that cannot be returned, the District will pursue the most cost-effective strategies to recover value, including resale, auction, transfer, or repurposing within the Fire District or other county agencies, in accordance with state and county surplus asset policies.

The sale of surplus EMS assets will recover a portion of the initial investment, mitigating financial losses and redirecting funds toward sustaining Fire District services. Additionally, making these

vehicles and equipment available for purchase could benefit other emergency service providers in need of cost-effective resources.

**Fiscal Analysis:**

A comprehensive financial analysis was conducted to assess the feasibility of the Fire District providing expanded ambulance transport services under a subcontract with American Medical Response (AMR). To conduct the analysis, we requested and received the following data: 3-year call volume, specific zone payor mixes, utilization of services, including the percentage of transports at each rate, and the current fire agency first-response subcontract rates. The analysis determined that the proposed EMS system is not financially viable, with a projected \$41 million net loss over five years and no break-even point within the contract period.

- Net Present Value (NPV) Analysis: The financial model shows a negative NPV throughout the contract period, meaning that costs will consistently exceed revenue. Even under optimistic revenue scenarios, projected earnings would not offset annual operating costs.
- Projected Annual Cash Flow: The financial outlook indicates that each year of operations under the proposed subcontract would result in increasing financial deficits, compounding over time.
- Break-even Projection: The analysis found that the system would never reach break-even within the five-year contract period, making it financially unsustainable.

**Funding and Budgetary Considerations**

- One-time vs. Ongoing Costs: The proposed EMS system would require both significant one-time implementation costs and high ongoing operational costs that are not recoverable.
- General Fund Impact: The EMS system's revenue generation path is not feasible, meaning that continued operations under the proposed model would require external funding sources to offset financial losses.

Financial Risk: The inability to generate positive financial returns and poses a long-term financial instability, creating a substantial liability for the County. Given these findings, proceeding with the proposed subcontract would result in sustained financial losses, making the system unviable from a fiscal standpoint. The Fire District does not recommend proceeding with this proposal.

**Special Instructions:**

Upon Board approval and execution, the Clerk is asked to please return a copy of the minute order to the Fire Department, attention: Garrett Huff.

**Attachments:**

**Attachment A** – Optimal Deployment Science – Santa Barbara County CA Report

**Authored by:**

Garrett Huff, Deputy Fire Chief