



## **ORDINANCE 2022-05**

### **AN ORDINANCE EXTENDING THE FRANCHISE AGREEMENT WITH DELTA MEDICAL TRANSPORT, LLC FOR EMERGENCY MEDICAL SERVICES**

The City Council of the City of Delta Junction, Alaska finds that:

A. In the past the City of Delta Junction ("the City") provided ambulance services through a system of volunteers and City-owned equipment and facilities.

B. The City experienced difficulties in training and certifying adequate numbers of volunteers and in providing year-round services, despite good faith efforts by the City and generous contributions of time by volunteers.

C. Delta Medical Transport, LLC ("DMT") began providing year-round 24/7 ambulance service in February 2013.

D. The City signed a franchise agreement on February 5, 2013 that was subsidized by the City, concluding that the ambulance service would likely not save the City any revenue, but would offer prompter responses to emergency calls, more certain staffing, better credentialed responders, and training opportunities for City and Deltana community volunteers.

E. The City entered into a Professional Services Contract with DMT on September 20, 2019 extending the franchise agreement for emergency medical services to June 30, 2021.

F. The City finds that DMT has continued to perform very well and that the current level of emergency response services continues at a very high level.

G. The Professional Services Contract may be renewed by the City for one final one-year term.

H. Because renewing DMT's Professional Services Contract may constitute a grant of a franchise under Alaska law and it involves a purchase by the City involving more than \$10,000.00, the proposed transaction requires implementation by ordinance under Alaska law and City Ordinances.

I. The subject matter of the proposed Extension and Amendment of Professional Services Contract involves professional services exempt from the requirement of a competitive process under City Ordinance §1.41.035(i).

J. The City faces little risk in entering into a final one-year extension of the Professional Services Contract because it may be terminated by the City without cause at any time on a ninety (90) days' notice.

K. The contract needs to be amended to reflect the replacement of a wrecked ambulance.

**NOW, THEREFORE**, in consideration of those Findings, it is enacted by the City Council of the City of Delta Junction, Alaska:

1. The City extends and amends its non-exclusive CONTRACT FOR PROFESSIONAL SERVICES with DELTA MEDICAL TRANSPORT, LLC according to the terms and conditions of the EXTENSION AND AMENDMENT OF CONTRACT FOR PROFESSIONAL SERVICES and attached to this Ordinance as Attachment A.

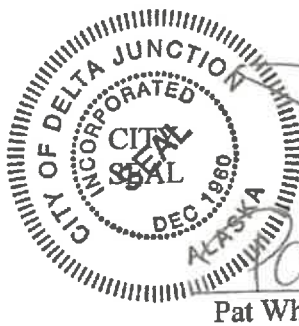
2. The City hereby applies the CONTRACT FOR PROFESSIONAL SERVICES, as extended and amended, for the period July 1, 2022 until June 30, 2023 and hereby ratifies and approves any and all payments made to DMT under said contract for the period July 1, 2021 until the effective date of this Ordinance.

3. The Mayor is authorized to enter into the EXTENSION AND AMENDMENT OF CONTRACT FOR PROFESSIONAL SERVICES, Attachment A, and to take such other and necessary steps as may be required to implement the intent of this Ordinance.

4. This Ordinance is of a permanent and general character, shall be included in the City of Delta Junction Municipal Code of Ordinances, and shall take effect immediately upon adoption.

Introduction:	June 7, 2022
First Reading:	June 7, 2022
Public Hearing:	June 21, 2022
Second Reading:	June 21, 2022
Adoption:	June 21, 2022

**PASSED AND APPROVED** this 21st day of June, 2022 by a duly constituted quorum of the City Council of the City of Delta Junction.



*JW Musgrove*  
JW Musgrove, Mayor

*Pat White*  
Pat White, City Clerk

	YES	NO	ABSENT	ABSTAIN
Seat A: Dove	X			
Seat B: Catterson	X			
Seat C: Prestegard	X			
Seat D: Heinbockel	X			
Seat E: Musgrove	X			
Seat F: Hallgren	X			
Seat G: Levinson	X			

**EXTENSION AND AMENDMENT OF  
CONTRACT FOR PROFESSIONAL SERVICES**

THIS EXTENSION AND AMENDMENT OF CONTRACT FOR PROFESSIONAL SERVICES ("Extension") is made as of this 21st day of June, 2022 by and between the City of Delta Junction ("City") and Delta Medical Transport, LLC ("Contractor") and extends and amends that certain Contract for Professional Services dated as of July 1, 2019 between the City and the Contractor ("Contract").

WHEREAS, the City and the Contractor entered into the Contract for emergency medical services in September 2019; and

WHEREAS, Section 6(a) of the Contract provides for up to two one-year options to renew the Contract or one two-year option to renew the Contract, at the City's option; and

WHEREAS, the City desires to renew the Contract for a final one-year term beginning as of July 1, 2022 and ending on June 30, 2023; and

WHEREAS, the Contract needs to be updated to reflect replacement of vehicles (#5 – page 3), changes to fees and payments (#3 – page 3), and changes to insurance provider (#7 – page 5);

NOW THEREFORE, for consideration the receipt and adequacy of which are hereby acknowledged, the City and the Contractor hereby agree as follows:

1. Renewal of Contract. The City has elected to renew the Contract for a one-year term as allowed by Section 6(a) of the Contract on the same terms and conditions as are currently reflected in the Contract, with the exception of Section 2 below. The term of the Contract now expires on June 30, 2023.

2. Other Terms Remain Unchanged. Except as specifically modified herein, all other terms and conditions set forth in the Contract remain in full force and effect.

3. Effective Date. Upon approval by the City Council, this Extension shall go into effect as of July 1, 2022.

Date: 6.30.22

CITY OF DELTA JUNCTION

By: [Signature]  
J.W. Musgrove, Mayor

Date: 6.30.22

DELTA MEDICAL TRANSPORT, LLC

By: [Signature]  
Amber White, Managing Member

**CONTRACT FOR PROFESSIONAL SERVICES**

**CITY OF DELTA JUNCTION, ALASKA**

**AND**

**DELTA MEDICAL TRANSPORT, LLC**

The City,

CITY OF DELTA JUNCTION, ALASKA  
PO Box 229  
Delta Junction, Alaska 99737

and Franchisee,

DELTA MEDICAL TRANSPORT, LLC  
PO Box 1459  
Delta Junction, Alaska 99737

recite and declare that:

**RECITALS**

A. The City, in cooperation with neighboring emergency medical services, has provided medical emergency services and medical transport for the City and its environs, collectively known as the Response Area, as shown on Exhibit A to this Contract.

B. The City has previously met that obligation with a volunteer member squad, using City-owned facilities, equipment, and supplies.

C. The Franchisee has offered to provide those services on a full-time, 24-hour a day, seven days a week basis, for a fixed annual fee, using Alaska certified emergency medical technicians and paramedics.

D. The Franchisee is willing to train volunteers from the City and  
Deltana region on a regular, scheduled, and on-going basis.

E. The Franchisee is willing to authorize volunteers from the City  
and Deltana region to participate with and respond to emergency calls alongside the Franchisee.

F. The City is willing to make its facilities, equipment, and supplies within the Fire Hall, available to the Franchisee for the Franchisee's use in performing this Contract.

NOW, THEREFORE, in consideration of those recitals and for other good and sufficient consideration, receipt of which is acknowledged, the City and the Franchisee agree that:

**1. Core Services - Emergency Medical Response and Medical Transport.** Franchisee shall provide emergency medical services and medical transport to and from Fairbanks in accordance with this Section.

(a) The Franchisee shall provide emergency medical services in response to emergency requests within the Response Area. Services shall be provided continually, 24 hours a day, seven days a week. Initial responses to emergency requests shall be made within four minutes. Responses shall be by fully qualified emergency medical technicians or paramedics, licensed and capable of providing suitable levels of technical expertise for the responses.

(b) The Franchisee shall meet and perform the City's obligations under the Mutual Aid Agreement between the City, Fort Greely Fire & Emergency Services, and Deltana Volunteer Fire Department. The City agrees that the Franchisee shall have the opportunity to be involved in any negotiations for the modification of the Mutual Aid Agreement.

(c) The Franchisee shall continue to provide existing emergency medical service to the proper medical facility. Medical transport patients shall be accompanied by qualified medical support personnel.

(d) Nothing in this Contract shall transfer responsibility for 911 dispatch services to the Franchisee.

(e) Billing for services shall be the responsibility of the Franchisee. The City assumes no responsibility or claim to patient/billing information, including receivables.

(f) These core services shall be delivered by Franchisee on July 1, 2022.

**2. Core Services - Training of Delta / Deltana Area Volunteers.** The Franchisee shall provide both formal training and on-the-job training to volunteers from the City and Deltana region in accordance with this Section.

(a) Franchisee may offer regular training in emergency medical services by licensed, qualified personnel to volunteers from the City and the Deltana region, and to the general public. A refundable training fee or deposit may be charged to the trainees for classroom materials and equipment issued. These charges will be payable to the City of Delta Junction. Franchisee may not impose any other fees.

(b) Franchisee may provide opportunities for volunteers to participate in Franchisee's responses to medical emergencies under Section 1 of this Contract. No additional charge or fee shall be imposed upon the City or its volunteers for that training opportunity.

**3. Fees and Payments.** The City shall pay to the Franchisee for the services to be performed under this Contract the following consideration:

(a) The sum of Five Hundred Fifty-Two Thousand and 00/100 Dollars (\$552,000.00) annually, payable in increment of One Hundred Thirty-Eight Thousand and 00/100 Dollars (\$138,000.00) within the first ten (10) days of each quarter of the Contract term.

**4. Facility Use.** In the performance of its duties under this Contract, the Franchisee shall have the shared use of the Delta Junction Fire Hall, as follows:

(a) The shared use of the Delta Junction Fire Hall, including conference room, storage room, washer and dryer, the right to use the second floor as a shift lodging residence, and the right to use one parking bay for Franchisee-owned ambulance units. A second parking bay may be used by the Franchisee on a space-available basis, determined by the City. The Franchisee acknowledges that this is a shared use.

(b) Utility services for the use of the Delta Junction Fire Hall.

**5. City Ambulance Use.**

(a) Authorization. The Franchisee shall be and is authorized to use the two emergency medical vehicles owned by the City ("the Vehicles") and identified below:

	<u>Vehicle Make and Model</u>	<u>Vehicle VIN</u>
#181	2009 Ford F450 AM	1FDAF47R29EA61733
#186	2012 Ford F450 AM	1FDUF4HT7CEC34659

(b) Limitations on Use. The vehicles shall be used solely and exclusively for delivery of services described in the Contract. No subcontracting, assignment, sublease, or other transfer or use of the Vehicles by any third party shall be permitted.

(c) Rental. The Franchisee shall pay to the City the sum of Five Hundred and 00/100 Dollars (\$500.00) per month per Vehicle, for the use of the Vehicles in any month as authorized by this Contract.

(d) Duties Imposed on Franchisee. The use of the Vehicle shall be subject to the following requirements:

(i) Prior to any use of the Vehicles, the Franchisee shall cause the Vehicles to be insured under the policies of insurance imposed upon the Franchisee by the Contract. Additionally, the Franchisee shall at all times during the term of this Contract keep in force and effect policies of collision insurance on the Vehicles, to the full current value of the Vehicles.

(ii) The Franchisee shall perform maintenance on the Vehicles not less often than the intervals and in manner recommended by the manufacturer, and shall replace Vehicle tires and other parts with wear when necessary for the safe and responsible operation of the Vehicles.

(iii) The Franchisee shall at all times keep and maintain the Vehicles in a clean condition both inside and out.

(iv) The Franchisee shall keep a use, service, and maintenance log for each Vehicle, to include use, mileage, maintenance/service performed on the Vehicle, and history of any/all accidents involving the Vehicle.

(v) The Franchisee's right to use the Vehicles under this Contract does not excuse the Franchisee from its obligation to use and maintain its own ambulances and equipment. The Right to use the Vehicles under this Amendment is intended by the parties to supplement and not replace the Franchisee's vehicles and equipment.

(vi) The Franchisee agrees to indemnify, hold harmless and defend the City, its officers, employees, and agents from any and all claims arising out of the Franchisee's use or misuse of the Vehicles. The duty under this paragraph shall extend to all claims arising out of events involving Franchisee's use of the Vehicles, regardless of whether those claims are asserted before or after the expiration of the Term of this Contract.

**6. Term of Agreement.** This Contract shall have a term of one (1) year, starting at July 1, 2022, subject to approval by ordinance adopted by the City Council of the City authorizing this Contract and expiring at midnight on June 30, 2023. The City Council agrees this Agreement is exempt from a competitive bid process under City Ordinance 1.41.035(i).

(a) If this Contract expires without a new medical transport provider being contracted by the City or the City itself becoming the medical transport provider, this Contract shall

continue on a month to month basis terminable on thirty (30) days' notice by either party.

(b) This Contract may be terminated for cause by either party on ninety (90) days written notice of breach. The notice shall describe the breach with specificity and the requirements for cure of the breach.

(c) This Contract may be terminated without cause by either party on ninety (90) days written notice.

(d) Any termination under this subparagraph shall be made with mutual cooperation between the Franchisee and the City to minimize or avoid completely any possible break in service to the public.

#### **7. Indemnity.**

(a) The Franchisee shall purchase comprehensive and specialty liability insurance in amounts required by the City's insurer, Alaska Public Entity Insurance (APEI), currently set at Three Million and 00/100 Dollars (\$3,000,000.00) per incident, but not to exceed Five Million and 00/100 Dollars (\$5,000,000.00) cumulative. The City shall be named as an additional insured under each such policy or policies. The deductible under each such policy or policies shall not exceed Five Thousand and 00/100 Dollars (\$5,000.00) per incident or claim or Ten Thousand and 00/100 Dollars (\$10,000.00) cumulative.

(b) The Franchisee shall at all times keep and maintain in force and effect a policy of workers' compensation insurance to the minimum requirements imposed by Alaska law.

(c) The Franchisee shall keep in force and effect policies of motor vehicle insurance in amounts required by the City's insurer, APEI, currently set at One Million and 00/100 Dollars (\$1,000,000.00) per incident, but not to exceed Five Million and 00/100 Dollars (\$5,000,000.00) cumulative. The City shall be named as an additional insured under each such policy or policies. The deductible under each such policy or policies shall not exceed Five Thousand and 00/100 Dollars (\$5,000.00) per claim or Ten Thousand and 00/100 Dollars (\$10,000.00) cumulative. Insurer shall provide the City with thirty (30) days written notice prior to cancellation of policy.

**8. Warranties of Franchisee.** The Franchisee warrants to the City that:

(a) The Franchisee has and will at all times during the Term keep and maintain in effect all licenses, permits, and certificates necessary to lawfully provide the services described in this Contract.



(b) The Franchisee will at all times comply with applicable Alaska laws and City ordinances, including but not limited to wage and hour laws, in the performance of the Contract.

(c) The Franchisee will honor and abide by the Mutual Aid Agreement.

(d) The Franchisee is duly authorized and has taken all steps necessary to enter into this Contract, and this Contract will in all ways be binding and enforceable against the Franchisee.

**9. Warranties of City.** The City warrants to the Franchisee that:

(a) The City is authorized by law to enter into this Contract.

(b) The City has taken all steps necessary to enter into this Contract, and this Contract will in all ways be binding and enforceable against the City.

**10. Dispute Resolution.** Any dispute or conflict regarding this Contract shall be resolved under this Paragraph.

(a) The Dispute Resolution Committee, consisting of the Mayor, City Administrator, and owners of Delta Medical Transport shall meet and mediate any disputes between the City and the Franchisee regarding this Contract, the duties and performance of each of them. No lawsuit may be filed in any court regarding the subject matter of this Contract until mediation efforts before the Dispute Resolution Committee have failed.

(b) The City and the Franchisee recognize and agree that the safety and health of the citizens of the City and the Deltana region are paramount. No dispute between the City and the Franchisee shall interfere with the performance of the core duties described in this Contract.

(c) Notwithstanding the requirements of this section of the Contract, the parties may terminate this Contract under Section 6(c) without cause, without any requirement of dispute resolution.

**11. Other Terms and Conditions.**

(a) This Contract, and the City's responsibilities under this Contract, are conditioned upon appropriation of funds by the City Council as a part of its budgetary process as a matter of law. A failure by the City to fund the performance of its

obligations under this Contract shall not be a breach of this Contract.

(b) This Contract constitutes the complete agreement of the parties. All other negotiations, writings, drafts and agreements are null and void.

(c) Subject to the requirements of Section 8 and dispute regarding this Contract shall be heard in the Superior Court for the State of Alaska at Fairbanks, Alaska. Alaska law shall apply to the interpretation of this Contract.


(d) Any amendment to this Contract shall be in writing, signed by the City and the Franchisee and, in the case of the City, approved by vote of the City Council. Oral modifications and changes shall not be enforceable.

(e) The Franchisee agrees that this Contract may not be assigned or conveyed to a third party or ownership of more than forty-nine percent (49.00%) of the Franchisee changed, without the prior written consent of the City.

(f) The Franchise herein is non-exclusive.

DATED: 6.30.22

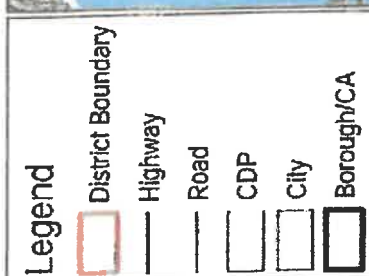
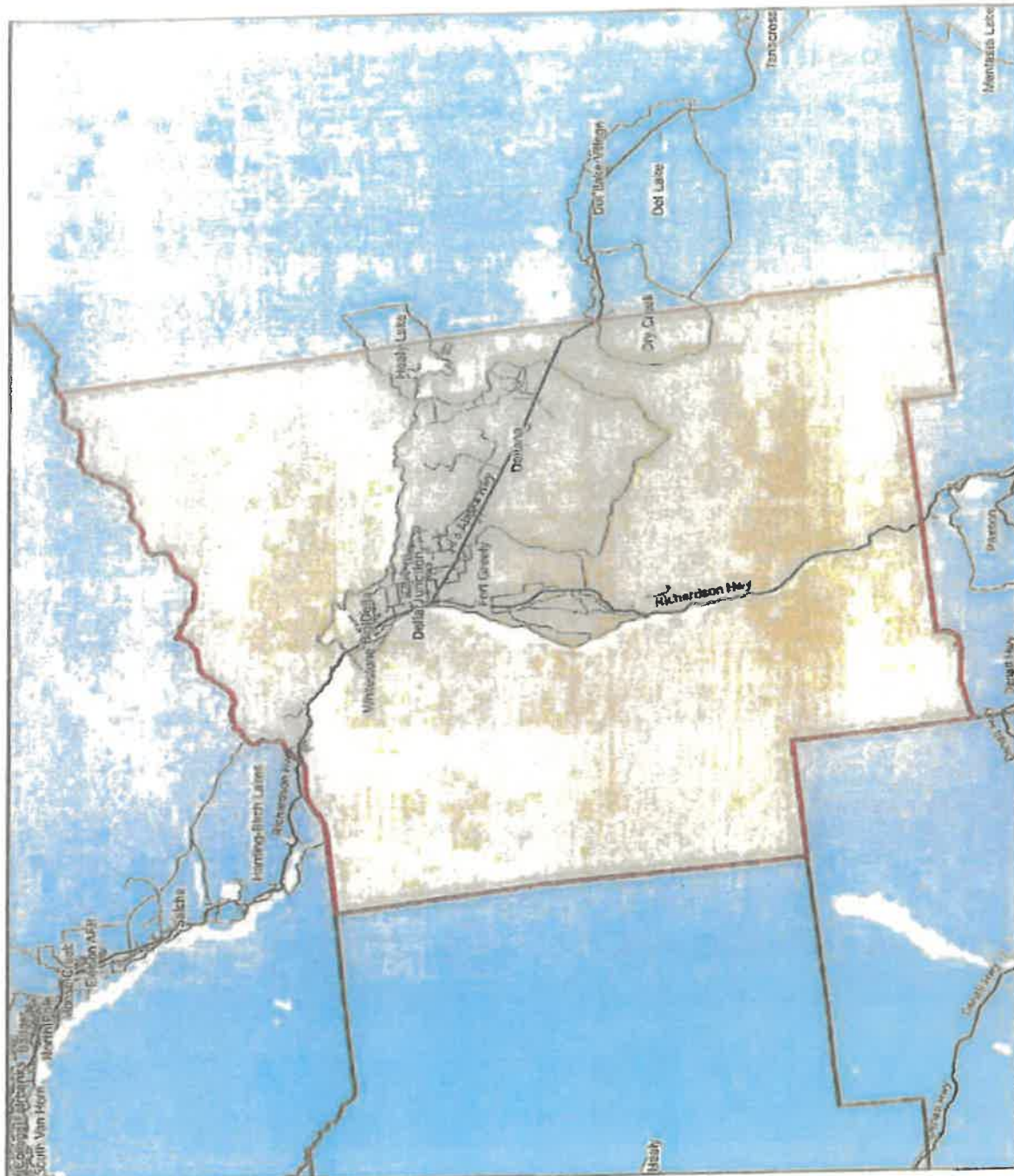
CITY OF DELTA JUNCTION, ALASKA

By:   
JW Musgrove, Mayor

DATED: 6.30.22

DELTA MEDICAL TRANSPORT, LLC.

By:   
Amber White, Managing Member



Prepared by:  
Alaska Department of  
Labor & Workforce  
Development  
July 2012  
Source: US Census  
2010 TIGERLine

Exhibit A (one page) – Response Area