



Agenda Item: 9.A
Date of Meeting: April 13, 2026
Department: Fire

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Fire Recovery USA Services Agreement**
Prepared On: April 2, 2026
Attachments: 2026 Inspection and Emergency Incident Services Agreement

Background/History:

The Bishop Fire Department has recently hired a Deputy Fire Chief to implement and manage fire and life safety inspection services throughout the City. The adopted inspection fee schedule is intended to support the ongoing costs associated with this position and ensure compliance with applicable state inspection requirements. The Deputy Fire Chief began employment in March 2026 and is expected to initiate inspections upon implementation of a billing and collection process.

Fire Recovery USA provides specialized billing and collection services for fire and emergency service agencies nationwide. The firm focuses on cost recovery for fire department responses as well as billing administration for fire and life safety inspections.

Analysis/Discussion:

A third-party provider is the most effective method to administer invoicing and collections for fire inspections and incident cost recovery. Outsourcing these functions allows Fire Department personnel to remain focused on fire prevention and emergency response activities rather than administrative billing efforts.

Fire Recovery USA integrates with the City's existing records management system (Emergency Reporting) to facilitate efficient data transfer and billing administration. The City previously utilized this vendor for similar services in 2021 without identified performance issues. Under the proposed agreement, the vendor will perform invoicing, collections, and related follow-up activities, supporting consistent revenue recovery and program implementation.

The proposed agreement constitutes a specialized professional service involving fire incident cost recovery billing, insurance claims processing, and collections administration. These services require specific industry expertise, established insurer relationships, and system integration capabilities. Staff determined that this service is not a standard or commoditized procurement. Fire Recovery USA provides a comprehensive, turnkey solution that includes system integration, claims management, and revenue recovery under a primarily contingency-based compensation structure, supplemented by certain fixed and conditional fees associated with inspection billing services.

Due to the specialized nature of the service, the limited number of qualified providers, and the operational efficiencies gained through integration with the City's existing systems, staff recommends dispensing with competitive procurement requirements. This approach is consistent with practices utilized by other California municipalities for similar services. Accordingly, staff finds that entering into a Professional Services Agreement with Fire Recovery USA without formal competitive bidding is in the best interest of the City, as it provides an efficient and cost-effective method to enhance revenue recovery while minimizing administrative burden.

Impacts to Council Goals and Strategic Planning Priorities:

This agreement supports the City's fiscal sustainability by enhancing cost recovery for fire services without increasing taxes or user fees. It improves operational efficiency by utilizing a specialized third-party provider to manage billing and collections, thereby reducing administrative workload on City staff. Additionally, it supports public safety objectives by strengthening the financial resources available to maintain fire and emergency response services.

Budget Impacts:

The proposed agreement utilizes a primarily contingency-based compensation model, under which the City receives approximately 78% of net revenues collected from fire incident cost recovery. The agreement also includes fixed and conditional fee components associated with inspection billing services, including a per-inspection processing fee and certain administrative charges.

All fees are either offset by associated revenue collections or passed through to the end user where applicable. While certain minimal fixed or conditional costs may be incurred, the overall program is expected to result in a net positive financial impact to the City by enhancing cost recovery efforts without requiring additional staffing or operational resources.

Legal Review:

City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:

Approve the services agreement between Fire Recovery USA and the City of Bishop.

Approved By: Ethan Aukee 4/2/2026 and Bret Russell 4/8/2026

Approved By: Robin Picken 4/8/2026

Approved By: Dean Pucci 4/8/2026

Approved By: Pam Foster 4/8/2026