



The Berkshire Advisors Approach To...

MANAGING THE COSTS AND RISKS ASSOCIATED WITH FIRE AND EMERGENCY MEDICAL SERVICES

Risk Management

The costs a community pays for its fire protection, emergency medical services, hazardous materials, and disaster preparedness services are not unlike an insurance premium. The higher the premium a community pays – assuming a Department is appropriately managed, organized, and staffed – the higher the level of protection it will receive. Crucial questions that are rarely asked are “How much risk does the community face?” and “What level of premium is prudent to pay to protect the community from this risk?”

Articulating Tradeoffs

Besides the geographic configuration of a city (i.e., the total area that must be covered; the location of geographic and manmade barriers, and the city’s shape) the primary factors that determine the cost of fire and EMS services in a city are the maximum expected run time (from turnout to arrival on scene) and the number of personnel that are expected to respond to incidents of various types. Typically, however, the speed of emergency response in a community is driven by historical or political factors rather than an analysis of actual experience. Likewise, little analysis has generally been performed to quantify the consequences of alternative staffing and deployment configurations.

Rather than taking “what is” as a given when evaluating fire suppression and

emergency medical services, Berkshire Advisors consultants work with department managers and staff to articulate the tradeoffs among various deployment approaches.

Articulating Tradeoffs – An Example

As an example, one consequence of staffing each fire engine with four personnel (in states that comply with OSHA “two-in two-out” requirements) is that the time before the initial attack on a fire would be delayed until at least four personnel arrive at the emergency scene. Using this basic fact as a starting point, the next step is to detail under what circumstance such a delay would be consequential. The third step is to then review historical information to determine the frequency with which those circumstances take place. The costs of increasing pumper staffing can then be weighted against the potential benefits in reduced fire loss (based on the city’s actual experience).