



*City of Arts & Innovation*

# City Council Memorandum

*City of Arts & Innovation*

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: OCTOBER 10, 2023**

**FROM: PUBLIC WORKS DEPARTMENT** **WARDS: ALL**

**SUBJECT: SECOND AMENDMENT TO AGREEMENT FOR ANIMAL CONTROL FIELD AND LICENSING SERVICES WITH THE COUNTY OF RIVERSIDE, DEPARTMENT OF ANIMAL SERVICES, IN THE AMOUNT OF \$3,600,000 THROUGH DECEMBER 31, 2023**

## **ISSUE:**

Approval of a Second Amendment to the Agreement for Animal Control Field and Licensing Services with the County of Riverside, Department of Animal Services in the amount of \$3,600,000 through December 31, 2023.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Second Amendment to the Agreement for Animal Control Field and Licensing Services with the County of Riverside, Department of Animal Services for a term retroactive to January 1, 2023, through December 31, 2023, in the amount of \$3,600,000;
2. Authorize the City Manager, or designee, to execute the Second Amendment, including making minor and non-substantive changes;
3. Direct staff to research and evaluate alternatives to decrease Animal Control Field costs including, issuing a Request for Proposals (RFP) to compare and evaluate outsourcing field and shelter services, and perform a cost evaluation on in-sourcing animal control services; and
4. Direct staff to share the results of the outsourcing RFP, in-sourcing cost evaluation, and County of Riverside, Department of Animal Services Approved Rates for Fiscal Year 2024/25 with the Land Use, Sustainability, and Resilience Committee and City Council to advise on the next course of action.

## **BACKGROUND:**

The Riverside County Department of Animal Services (DAS) has provided animal control field, shelter, and intermittent licensing services to the City of Riverside since 1995. Both agencies have partnered to promote animal welfare, public health and safety, and quality of life within the

City of Riverside through two separate contracts, one for shelter services and a second for field services. The shelter services agreement has a term which runs through 2035. A review of Animal Services available to City of Riverside residents is available at: <https://riversideca.gov/publicworks/other-services/animal-services>.

The County of Riverside Board of Supervisors Policy B-4 (Attachment 1) requires County departments to recover the full costs associated with contracted services provided and DAS began working toward a full cost recovery in Fiscal Year 2019-20.

On September 17, 2019, the City Council approved the Agreement for Animal Control Field and Licensing Services between the City of Riverside and County of Riverside, Department of Animal Services (DAS) from July 1, 2018 through December 31, 2020.

On October 26, 2021, the City Council approved the First Amendment to Agreement for Animal Control Field and Licensing Services between the City of Riverside and County of Riverside, DAS from January 1, 2021 through December 31, 2022.

## **DISCUSSION:**

The proposed Second Amendment will extend the agreement from January 1, 2023 to December 31, 2023 and allows DAS to continue providing field and licensing services at the same levels of service that are currently in effect.

Over the past year, City staff have had numerous discussions with County personnel regarding increased costs. The County's rates have increased over the years as Animal Control Officer personnel costs and overhead associated with the services provided are included in their rates. Overhead includes expenses such as vehicles, fuel, equipment, technology, support staff, however, a complete breakdown of the Animal Control Officer Fee is included in Attachment 5.

The County rates also incorporate the following variable elements:

- The number of animals admitted to the shelter.
- Proper care and kenneling of animals admitted to the shelter.
- The number of deceased animals managed in the public right-of-way.
- Overtime of Animal Control Officers.

DAS has disclosed that they are currently under contract with a consultant who is performing a cost-of-service study in order to ensure the appropriate rate is being charged to its member agencies. The cost-of-service study is expected to be completed in October 2023. In order for DAS to evaluate the impacts of the cost-of-service study, they have indicated that the pricing schedule will remain constant through June 30, 2024. In the interim, a six-month amendment will be proposed to extend the current agreement, which will be brought before the City Council for approval. The City of Riverside recognizes that the current costs are not sustainable, and staff will investigate alternatives to alleviate the rising Animal Control field services and overhead costs. In parallel, the City will evaluate different cost-saving options including outsourcing alternatives and thus issuing a Request for Proposals, potential in-sourcing efforts, or re-negotiating the current agreement to sustainable levels.

This item is in compliance with Purchasing Resolution 23914, Article Seven: Acquisition of Services, Section 702 "Exceptions" which states that "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the

following circumstances: ... (g) Where payment for Services is to be made to a Federal, State, and/or other public entity".

The Purchasing Manager concurs that the recommendation to approve is in compliance with Purchasing Resolution 23914.

### **STRATEGIC PLAN ALIGNMENT:**

This Agreement supports **Strategic Priority 2** – Community Well-Being and aligns with **Goal 2.3** - Strengthen neighborhood identities and improve community health and the physical environment through amenities and programs that foster an increased sense of community and enhanced feelings of pride and belonging citywide; and **Goal 2.4** - Support programs and innovations that enhance community safety, encourage neighborhood engagement and build public trust.

Furthermore, this project aligns with each of the five Cross-Cutting Threads:

1. **Community Trust** – Providing animal licensing and field services to the public not only meets state and local ordinances but is also an integral component of the statewide rabies control effort. These services, along with related enforcement activities, help promote safe communities.
2. **Equity** – All animal services are available to all Riverside residents and business owners.
3. **Fiscal Responsibility** – This proposed amendment exemplifies the partnership between the City of Riverside's Public Works Department and the County of Riverside Department of Animal Services and demonstrates responsible management of the City's financial resources while providing quality public services to all.
4. **Innovation** – This proposed amendment provides an opportunity for both the City and the County to prepare for the future by leveraging their collaborative partnership to create adaptive processes in future agreements.
5. **Sustainability & Resiliency** – Maintaining service agreements such as this allows the City of Riverside to meet the needs of the present without compromising the needs of the future and ensures the City's capacity to persevere, adapt and grow during good and difficult times alike.

### **FISCAL IMPACT:**

The fiscal impact for the Second Amendment to the Agreement with the County of Riverside for Animal Control Field and Licensing Services is \$3,600,000 and is included in the FY 2022/23 and FY 2023/24 General Fund, Non-Departmental – Public Works, Riverside County Animal Control account 7241000-450319. At the close of FY 2022/23, the item was overbudget by \$481,221.02; however, there are sufficient General Fund savings to offset the budget overage. For the remainder of the contract term, sufficient funds are allocated to the FY 2023/24 budget. Table 1 shows a breakout of the projected costs associated with the Second Amendment to the Agreement for the January 1, 2023 through December 31, 2023 contract term.

Table 1 – Projected Costs

	<b>Calendar Year 2023</b>
Field Services – 6 Animal Control Officers (Fixed)	\$1,638,749
Licensing Personnel – 2 Animal Control Officers (Fixed)	\$546,250
Shelter Care – Kenneling Costs (Estimated)	\$1,445,500
Field Services – Animal Control Officer OT (Estimated)	\$280,000
Licensing Administrative Fee (Estimated)	\$195,000
Revenue (Estimated)	(505,499)
Total:	<b>\$3,600,000</b>

Prepared by: Gilbert Hernandez, Public Works Director

Certified as to

availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Kris Martinez, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. County of Riverside Board of Supervisors Policy B4
2. Proposed Second Amendment
3. Executed Agreement for Animal Control Field and Licensing Services
4. Executed First Amendment for Animal Control Field and Licensing Services
5. Animal Control Officer Fee Breakdown
6. Presentation