



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: OCTOBER 8, 2024**

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

**SUBJECT: APPROVE THE FOURTH AMENDMENT TO THE AGREEMENT FOR ANIMAL CONTROL FIELD AND LICENSING SERVICES WITH THE COUNTY OF RIVERSIDE, DEPARTMENT OF ANIMAL SERVICES, IN THE AMOUNT OF \$3,204,183.99 FOR A TERM OF JULY 1, 2024 THROUGH JUNE 30, 2025; AND AUTHORIZE AN INCREASE TO PURCHASE ORDER NUMBER 240839 IN THE AMOUNT OF \$188,744.16 A REVISED PURCHASE ORDER AMOUNT OF \$5,310,034.16 FOR SERVICES PROVIDED IN FISCAL YEAR 2023-2024**

**ISSUES:**

Approve the Fourth Amendment to the Agreement for Animal Control Field and Licensing Services with the County of Riverside, Department of Animal Services, in the amount of \$3,204,183.99 for a term of July 1, 2024, through June 30, 2025; and authorize an increase to Purchase Order Number 240839 in the amount of \$188,744.16 for a revised purchase order amount of \$5,310,034.16 for services provided in Fiscal Year 2023-24.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the Fourth Amendment to the Agreement for Animal Control Field and Licensing Services with the County of Riverside, Department of Animal Services for a term of July 1, 2024, through June 30, 2025, in the amount of \$3,204,183.99;
2. Authorize an increase to Purchase Order Number 240839 in the amount of \$188,744.16 for a revised purchase order amount of \$5,310,034.16 for services provided in Fiscal Year 2023-24; and
3. Authorize the City Manager, or designee, to execute the Amendment, including making minor and non-substantive changes and contract extensions.

**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 the 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.

On October 10, 2023, the City Council approved the Second Amendment to the Agreement for Animal Control Field and Licensing Services between the City of Riverside and County of Riverside, DAS from January 1, 2023, through December 31, 2023. City Council directed staff to research and evaluate alternatives to decrease Animal Control Field Services costs including issuing a Request for Proposals to compare and evaluate outsourcing field and shelter services, perform a cost evaluation on in-sourcing animal control services, to share the results of the outsourcing RFP and in-sourcing cost evaluation, and share County of Riverside Department of Animal Services Approved Rates for Fiscal Year 2024-25 with the Land Use Sustainability and Resilience Committee.

On December 19, 2023, the City Council approved the Third Amendment to the Agreement for Animal Control Field and Licensing Services between the City of Riverside and County of Riverside, DAS from January 1, 2024 through June 30, 2024.

## **DISCUSSION:**

The proposed Fourth Amendment (Amendment) will extend the term from July 1, 2024 through June 30, 2025 and allow the Riverside County Department of Animal Services (DAS) to continue providing field services. The Third Amendment operated with the reduction of one Animal Control Officer and two Licensing Officers. As this helped to alleviate costs, the Fourth Amendment will continue to operate with five Animal Control Officers.

Over the past year, City staff have had numerous discussions with County personnel regarding increased costs as the County's rates have increased over the years. City staff reviewed the increased costs of the Animal Control Officer and found that this wrap rate includes personnel costs for Animal Control Officers along with administrative staff, veterinarians, and overhead associated with the services required to keep the shelter operating. Overhead includes expenses such as vehicles, fuel, equipment, technology, support staff.

DAS has disclosed that they are currently under contract with a consultant who is performing a cost-of-service study to ensure the appropriate rate is being charged to its member agencies. The cost-of-service study is expected to be shared with the County's member agencies in late 2024. To allow for sufficient time for DAS to evaluate the impacts of the cost-of-service study, they have indicated that the pricing schedule will increase 5% through June 30, 2025. Once the County of

Riverside Department of Animal Services discloses the results of cost-of-service study and finalizes the approved rates, City Staff will take the results to the Land Use Committee.

This Amendment will extend the current agreement for one (1) year. Staff have investigated alternatives to alleviate the rising services and overhead costs. This included examining the methodology and pricing of neighboring cities, issuing an RFP, overseeing overtime, and working with the County on ways to decrease costs. No responses to the RFP were received, and other cities were unable to take on Riverside's business in a cost-effective manner; however, several changes were made to reduce costs, including shifting to a more software-based approach for animal licensing, mitigating the potential impacts of this 5% increase.

Costs to the City vary based on the number of animals served each year. Costs have also increased due to an increase in overcrowding at the shelters. The Department of Animal Services has explored free adoption days at the shelter such as the 'Clear the Shelters' event on August 10<sup>th</sup> of this year; however, overcrowding still exists.

This item complies with Purchasing Resolution 24101, 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." This item is also in compliance with Purchasing Resolution 24101, Article Eleven: Purchase Order and Purchase Requisition Procedures, Section 1104 "Modifications to a Purchase Order shall be made only by Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of.... (5) modifying contract completion time or the term of a contract."

The Purchasing Manager concurs that the recommendation to approve complies with Purchasing Resolution 24101 Sections 702(g) and 1104(5).

### **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** – Animal services are available to all Riverside residents and business owners.
3. **Fiscal Responsibility** – The 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 of the action is \$3,302,183.99 for the Fourth Amendment to the Agreement with the County of Riverside for Animal Control Field Services and \$188,744.16 for the Change Order to Purchase Order 240839 for services provided in Fiscal Year 2023-24. Sufficient funds are budgeted and available in the in the General Fund, Non-Departmental – Public Works, Special Projects, Riverside County Animal Control account 7241000-450319 for Fiscal Year 2023-24 and Fiscal Year 2024-25 items.

Table 1 shows a breakout of the projected costs associated with the Fourth Amendment to the Agreement for the July 1, 2024 through June 30, 2025, contract term.

Table 1 – Projected Costs

| Description                         | July 1, 2024 –<br>June 30, 2025 Term |
|-------------------------------------|--------------------------------------|
| Field Services (Fixed)              | \$ 1,439,467.20                      |
| Overtime (Estimated)                | \$ 305,508.60                        |
| Animal Sheltering                   | \$ 1,151,828.65                      |
| Large Animal Sheltering             | \$ 252.00                            |
| Deceased Animal - Pickup & Disposal | \$ 122,010.00                        |
| Wildlife                            | \$ 25,067.70                         |
| Licensing                           | \$ 160,049.84                        |
| <b>TOTAL CONTRACT</b>               | <b>\$ 3,204,183.99</b>               |

Prepared by: Diana Palatto, Principal Management Analyst  
 Approved 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. Board of Supervisors Policy
  - 2. Fourth Amendment to Agreement for Animal Control Field and Licensing Services