



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 16, 2025**

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

**SUBJECT: CHANGE ORDER TO INCREASE PURCHASE ORDER NUMBER 253122 FOR FISCAL YEAR 2024/25 ANIMAL CONTROL FIELD AND LICENSING SERVICES IN THE AMOUNT OF \$577,723.51 FOR A REVISED PURCHASE ORDER AMOUNT OF \$3,781,907.50**

## **ISSUE:**

Approve a change order to increase Purchase Order Number 253122 for Fiscal Year 2024/25 Animal Control Field and Licensing Services in the amount of \$577,723.51 for a revised purchase order amount of \$3,781,907.50.

## **RECOMMENDATION:**

That the City Council approve a change order increase to Purchase Order Number 253122 for Fiscal Year 2024/25 Animal Control Field and Licensing Services in the amount of \$577,723.51 for a revised purchase order amount of \$3,781,907.50.

## **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 animal control and field services.

On April 15, 2010, the Riverside County Board of Supervisors approved the Agreement between the County of Riverside and City of Riverside to enter into a 20-year Shelter Service Agreement that provides an annual rent to cover the City's proportionate share of the facility cost including maintenance, custodial services, and 30% of utility costs. A review of Animal Services available to City of Riverside residents is available at:

<https://riversideca.gov/publicworks/otherservices/animal-services>.

The County of Riverside Board of Supervisors Policy B-4, dated 2/5/2013, (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 8, 2024, after several subsequent amendments in prior years, the City Council approved a Fourth Amendment to the Agreement for Animal Control Field and Licensing Services between the City of Riverside and County of Riverside, for a term of July 1, 2024 through June 30, 2025, in the amount of \$3,204,183.99, and approved 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.

## **DISCUSSION:**

### **FY2024/25 Agreement**

On April 8, 2025, DAS provided the City with the February invoice and staff observed a substantial increase in the number of kenneling days billed. A meeting between Public Works and DAS staff was held on April 24, 2025 to discuss billing concerns. During this meeting, the DAS Fiscal Manager detailed a change in the application of kenneling rates to more accurately align with the contract. Previously DAS charged for only one month of kenneling upon animal disposition, DAS now bills for the total number of kenneling days accrued upon disposition of each animal. DAS demonstrated that this change is aligned with the contract language, and that while they do not plan to seek compensation for prior billing cycles, the new billing is capturing this change in rate application.

This change in rate application resulted in a \$200,000 increase in kenneling charges between the December and February invoices, significantly altering the anticipated contract value. Staff discussed the change with the County's Executive Office and emphasized that the contract price was predicated upon DAS's historical billing practices and formally requested that DAS revert to the original methodology for current invoices. The County Executive Office explained that for years DAS incorrectly billed one month of kenneling costs as opposed to bill for the full stay; however, in recognition of the unexpected increase to the City's FY 24/25 costs and recognizing the City's contributions to the Western Riverside Shelter utilities and facilities costs, they agreed to a one-time reduction. The County Office proposed to reduce the FY 2024/25 invoices by \$430,102, which is equivalent to the annual user fee in the Shelter Agreement, and terminating the Shelter Agreement, in exchange for the City to enter into a new 3-year agreement. The City is currently working with the County on this new agreement and will bring it forward for City Council consideration as soon as practical.

Table 1 outlines the Animal Field and Licensing Services invoices that have been paid to date and invoices pending payment, discloses the County Executive Office proposed invoice reduction, and the current costs for FY 2024/25 Animal Control and Licensing Agreement. The overage is attributed to the new rate application methodology, and \$577,723 is needed in change order authority to pay for the difference. It also includes the fees paid for the Animal Shelter Service Agreement.

Table 1 – Invoices

Category	FY 2024/25
<b>Animal Field and Licensing Actuals</b>	
Invoices July – Jan (paid)	\$2,101,170
Invoices Feb – June (to be paid)	\$2,110,839
<b>Subtotal:</b>	<b>\$4,212,009</b>
Proposed amount of credit	(\$430,102)
<b>Revised Total:</b>	<b>\$3,781,907</b>

<b>FY 24/25 Purchase Order Amount:</b>	<b>\$3,204,184</b>
<b>Deficit:</b>	<b>(\$577,723)</b>

This change order request is in accordance with Purchasing Resolution 24101, Section 1104 Change Orders, which states “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 (2) modifying unit prices...Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval...b) Any Change Order which causes the contract price to exceed the authorization in section 203 hereof, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity.”

The Purchasing Manager concurs that the recommendation to approve the change order complies with Purchasing Resolution No. 24101, Section 1104.

### **FISCAL IMPACT:**

The fiscal impact of this action is \$577,723.51 for the Change Order to Purchase Order 253122. These expenses are associated with the FY2024/25 budget and will need to be carried over. Sufficient funds are budgeted in the FY 2024/25 and available in the in the General Fund, Non-Departmental – Public Works, Riverside County Animal Control account 7241000-450319.

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: Rebecca McKee-Reimbold, Interim City Attorney

### **Attachments:**

1. Board of Supervisors Policy B4
2. Shelter Service Agreement (2010-2035)
3. Presentation