



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 8

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Police Department
MEETING DATE: June 07, 2021
SUBJECT:
Animal Control Services – Agreement

RECOMMENDATION:

Approve an agreement with the County of San Mateo for continued provision of animal control services for a five-year term commencing July 1, 2021, with an estimated cost of \$871,467 for the first year and cost to be recalculated annually for subsequent years, and authorize the City Manager to execute the agreement in substantially the form presented.

BACKGROUND:

Animal control is one of the longest running regional/shared services in San Mateo County. Since 1952, the County has contracted with the Peninsula Humane Society & Society for Prevention of Cruelty to Animals (PHS) for animal control field and sheltering services. All 20 cities in the County have in turn contracted with the County for these services. Historically, cities have taken advantage of the economies of scale for pooling resources in order to realize lower costs for services than each city could likely achieve by providing its own services. The current agreement between the County and PHS is set to expire on June 30, 2021.

Animal control services are provided by PHS in a 45,000 square foot building owned by the County at 12 Airport Boulevard in San Mateo. The mandated animal control service functions occur at the County Shelter at Airport Boulevard. Those functions include receiving and housing stray animals; serving as the location for the public when looking for lost pets or surrendering animals; sheltering animals; spay/neuter clinic; and vaccination clinic. For public convenience, licensing, micro-chipping, veterinary care, animal behavior work, and field services staff are at this location and respond to calls for service in our community.

On January 5, 2021 a request for proposals was released to 71 organizations for an Animal Care, Control and Shelter Services Contractor serving San Mateo County. City Manager Drew Corbett was involved with the team that developed the RFP, and the City of San Mateo has participated in the review of proposals submitted and negotiation of the final recommended agreement.

Two contractors submitted proposals (Peninsula Humane Society & SPCA and Partners in Animal Care & Compassion/Pets in Need), which were evaluated by a committee comprised of nine reviewers including a Deputy County Manager, a San Mateo County Fiscal Officer, five reviewers from various San Mateo County cities (including Police Chief Ed Barberini), and subject matter experts from Los Angeles and San Bernardino. The evaluation determined that both proposals were acceptable, however, Peninsula Humane Society & SPCA (PHS) scored higher overall.

Contract negotiations with PHS were conducted by a team which included the County Manager, County Counsel, the County Animal Control Manager, and six city representatives (including City Manager Drew Corbett). Negotiations concluded on April 3, 2021 for a contract term of July 1, 2021 – June 30, 2025, in the total amount of \$32,548,898.91. The

Peninsula Humane Society has a new Executive Director and is well-positioned to continue to provide animal control services for agencies throughout the County for the five-year term.

Contract Costs

The negotiating team was able to reduce the proposed budget submitted by PHS by \$1.6 million over 5 years and increase services to the residents of the County from the original RFP proposal. Compared to the current costs, the five-year contract represents a reduction of \$577,915 in contract costs over 5 years, even with the additional services included.

One of the major structural changes of the new contract is that it includes invoicing based on actual expenditures as opposed to a percent of the contracted budget. The prior contract provided cost savings incentives whereby if PHS saved money from its approved budget without compromising service levels, then PHS could keep 50% of those savings, with the other 50% returned to member cities and the County to offset program costs. Instead, the new contract includes an incentive for PHS if it meets the enhanced performance measures. There will be no extra cost to the City because this incentive will be covered by the savings in the negotiated price. This means the City of San Mateo will not experience increased contract costs until year four, with a 2.4% increase from the present year, and year five, with a 5.1% increase.

The City of San Mateo's estimated share of the total contract in fiscal year 2021-22 is \$871,467 (Attachment 3). The percentage share for all cities is revisited annually. The number of service calls and sheltering animals generated by each city is tracked, and the average of the last three years' data is used to set the upcoming year's costs for member cities and for the County. Each city's three-year average usage data are weighted 41% for field services and 59% for shelter services, with a credit for animal licensing revenues.

Performance Audit

The agreement provides for an annual performance or fiscal audit if the cities and County agree there is a need to assess whether PHS is achieving efficiency and effectiveness in performance of the services provided. The parameters of the audit and cost will be determined by a subgroup of all parties through a County-administered RFP process. That RFP and the review process will be coordinated with interested city participants, such as through the San Mateo County City Managers' Association.

BUDGET IMPACT:

Funding for the animal control services agreement is included in the Police Department's annual operating budget.

ENVIRONMENTAL DETERMINATION:

This agreement is not a project subject to CEQA, because it can be seen with certainty that it will not cause a physical change in the environment. (Public Resources Code Section 21065.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Agreement

Att 2 – Estimated FY2021-22 Animal Control Costs

STAFF CONTACT

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