



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

**SUBJECT: ANIMAL CARE AND SERVICES
CONTRACT AGREEMENT WITH
THE CITY OF SARATOGA**

DATE: May 13, 2024

Approved

Date

5/24/24

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an agreement between the City of Saratoga and the City of San José for animal care and services for an initial term beginning July 1, 2024 through June 30, 2027, for an initial total compensation to the City of \$558,391.81, with a mutual option to extend the agreement for two additional three-year terms, potentially through June 30, 2033, for a total compensation of \$1,893,050.43.

SUMMARY AND OUTCOME

If approved, the Public Works Department's San José Animal Care and Services (SJACS) would continue to provide animal services for the City of Saratoga (Saratoga) for the period of July 1, 2024 through June 30, 2027. The parties would also have the option to extend the agreement for two additional three-year terms, potentially through June 30, 2033. The compensation to the City in the first year would be \$178,880.00. Thereafter, the annual contract amount would increase by 4% each fiscal year. Assuming all options were executed, the estimated total compensation will be in the amount of \$1,893,050.43.

BACKGROUND

The City of San José has provided animal care and services to Saratoga continuously since June 29, 2004. The provided services include the following: emergency and public safety response, stray animal pick-up, bite investigations, quarantine, animal crime investigations, animal nuisance complaints, animal licensing, dead animal pick up, animal shelter services, and after-hours emergency response.

The current contract with Saratoga expires on June 30, 2024. Staff from Saratoga indicated a desire to renew this contract and continue receiving services from the SJACS. SJACS staff and Saratoga representatives began discussions to renew the contract in January 2024. Saratoga requested to have SJACS start the process for a multi-year contract agreement that includes

extension options. Saratoga will consider this agreement in May 2024 at a City of Saratoga Council Meeting.

ANALYSIS

Saratoga has approximately 29,900 residents. During fiscal year 2022-2023, the SJACS responded to 309 calls for service within Saratoga city limits, and additionally, impounded and cared for 92 animals from Saratoga. The current agreement with Saratoga began July 1, 2004, and has an agreement end date of June 30, 2024.

In developing a new agreement, staff first evaluated the services that SJACS has provided to Saratoga. The goal of this analysis was to ensure that cost recovery was achieved before entering into a new contract agreement. The analysis of the Saratoga contract identified that the contract amount needed to be adjusted, including overhead cost, outside services, and a portion of capital improvement in order to achieve cost recovery. After the analysis was completed, a discussion with Saratoga representatives and SJACS staff occurred. A tentative contract agreement, with options to extend the contract, was completed.

EVALUATION AND FOLLOW-UP

If this agreement is approved, the SJACS will continue to provide field and shelter services to Saratoga from July 1, 2024 to June 30, 2027.

Prior to the expiration of the initial term of the contract (expires on June 30, 2027), City staff and Saratoga staff will discuss the option to extend the agreement in two additional three-year increments through June 30, 2033.

COST SUMMARY/IMPLICATIONS

The initial term of the proposed agreement is from July 1, 2024 through June 30, 2027, with compensation of \$178,880.00 in the first year. Thereafter, the annual contract amount will increase by 4% each following fiscal year. The initial terms, including the 4% increase, results in the following compensation for the City of San José.

Initial Agreement Contract

July 2024 through June 2025:	\$178,880.00
July 2025 through June 2026:	\$186,035.20
July 2026 through June 2027:	\$193,476.61
Total Amount of Compensation:	\$558,391.81

Agreement Contract Extension

July 2027 through June 2028:	\$201,215.67
July 2028 through June 2029:	\$209,264.30
July 2029 through June 2030:	\$217,634.87
July 2030 through June 2031:	\$226,340.27
July 2031 through June 2032:	\$235,393.88
<u>July 2032 through June 2033:</u>	<u>\$244,809.63</u>
Total Amount of Compensation:	\$1,334,658.62

Total agreement compensation with contract extensions is \$1,893,050.43.

Revenues from this contract agreement will continue to offset all direct costs, indirect cost, and personnel associated with providing animal care, calls for services response, and shelter services to Saratoga.

BUDGET REFERENCE

The table below identifies the fund and appropriation for the contract recommended to be amended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2023-2024 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	R090	Revenue from Local Agencies	\$24,014,607	\$178,880	276	02/13/24, 24-32

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 4, 2024 City Council meeting.

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COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003. Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH

Director, Department of Public Works

For questions, please contact Kiska Icard, Division Manager, Acting Deputy Director, Public Works Department at (408) 784-9167.