



## COMMUNITY DEVELOPMENT DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Meeting: June 4, 2024

#### Subject

Approve an agreement with the City of San Jose to provide animal management services for a not-to-exceed amount of \$330,730 for fiscal year 2024-2025, \$343,959.20 for fiscal year 2025-2026, and \$357,717.57 for fiscal year 2026-2027, for a total of \$1,032,406.70, and delegate authority to the City Manager to award contract extensions through June 30, 2033, depending on approved budget and acceptable services.

#### Recommended Action

That the City Council approve the agreement (Attachment A) to:

1. Authorize the City Manager to execute an agreement with City of San Jose to provide animal management services including Field Services, Shelter Services, and Dead Animal Services for a total not-to-exceed amount of \$1,032,406.70 for three years between fiscal years 2024-2025 and 2026-2027.
2. Authorize the City Manager to execute up to two (2) 3-year contract extensions, provided budget is available and services remain acceptable.

#### Reasons for Recommendation

The contract between the City of Cupertino ("City") and the City of San Jose ("CSJ") for animal services is set to expire on June 30, 2024. A competitive Request for Proposal (RFP) process was completed in April and resulted in no proposal submissions. Conversations with other potential service providers in the region resulted in the understanding that they did not have capacity to support our needs, an initial substantial investment would be required, and that the City of San Jose typically provides services to public agencies at a lower cost. As a result, staff began directly negotiating with the CSJ as allowed in the Cupertino Municipal Code and the Purchasing Policy.

In discussions with CSJ, they submitted a scope of work and compensation amount that provides cost recovery for CSJ staffing and resources based on an annual average of 500 service calls to the City community and an average animal boarding of 23 days. The scope of work covers a variety of services such as impound, confiscation, disposal, euthanasia requests, spay and neuter, wildlife pick up, and transportation. These are all current services that are offered to Cupertino residents. Additionally, the City contributed a one-time payment of \$500,000 in the previous contract to help complete shelter infrastructure to accommodate animal care necessary to support the City's needs. For this contract and the optional extension

periods, the City is not being requested to contribute funding for any additional infrastructure upgrades or planned capital improvement projects by CSJ to update the facilities. To continue to offer uninterrupted services to the City residents, staff is also recommending that the City Manager have delegated authority to award up to two (2) 3-year contract extension with CSJ, provided that the City has available budget and services continue to meet expectations.

Therefore, staff recommends the City Council to approve the proposed contract with CSJ and approve the delegation of authority for future extensions to continue animal services to the community without lapse and avoid significantly more costly options. Exhibit A within Attachment A describes the scope of services while Exhibit B outlines the annual compensation.

Background

The City contracted with CSJ for animal services beginning in fiscal year 2004-2005 for a total of 20 years. The original agreement included first year cost of \$166,000 and a one-time capital contribution to the animal shelter of \$500,000 to complete field and shelter infrastructure needs to accommodate animals from the City. Costs for subsequent fiscal years were calculated as either (prior year compensation) x (percentage change in total compensation for the previous fiscal year) or (CPI for the previous fiscal year + 1.5%), whichever is less. Total Compensation refers to the amount CSJ identifies for total compensation salary and benefits at top step for a 40-hour per week animal control officer. In the current fiscal year 2023-2024 the City paid CSJ \$266,380 for animal management services.

Prior to 2004, the City of Cupertino was one of seven cities that formed the Silicon Valley Animal Control Authority (SVACA) to provide animal services in the areas of field, shelter and licensing. In 2003, City of Cupertino decided to withdraw from SVACA due to several unresolved issues and concerns over upcoming shelter operation and construction costs. In September 2003, City Council directed staff to request proposals for animal services from other providers and bring back recommendations for their consideration. On April 19, 2004, City Council approved the authorization of the City Manager to finalize the contract. Below table demonstrates the annual compensation between the original 20-year contract and the proposed three-year contract, with the optional extension years.

Old Contract							
Fiscal Year	Annual Cost	Fiscal Year	Annual Cost	Fiscal Year	Annual Cost	Fiscal Year	Annual Cost
2005	\$ 166,000.00	2010	\$ 199,174.60	2015	\$ 202,805.00	2020	\$ 240,491.88
2006	\$ 164,257.00	2011	\$ 195,679.32	2016	\$ 204,322.80	2021	\$ 239,452.68
2007	\$ 172,424.00	2012	\$ 196,084.32	2017	\$ 215,201.76	2022	\$ 243,281.40
2008	\$ 173,126.00	2013	\$ 200,244.32	2018	\$ 213,845.36	2023	\$ 258,620.52
2009	\$ 184,867.56	2014	\$ 198,364.32	2019	\$ 230,126.64	2024	\$ 264,464.88

New Contract					
Fiscal Year	Annual Cost	Fiscal Year	Annual Cost	Fiscal Year	Annual Cost
2025	\$ 330,730.00	2028	\$ 372,026.27	2031	\$418,478.96
2026	\$ 343,959.20	2029	\$ 386,907.32	2032	\$435,218.12
2027	\$ 357,717.57	2030	\$ 402,383.61	2033	\$452,626.84

Sustainability Impact

No sustainability impacts.

Fiscal Impact

Services with CSJ for the first year of the contract between July 1, 2024, through June 30, 2025, will be \$330,730. Thereafter, the annual contract amount shall increase by four percent (4%) each fiscal year, subject to the appropriation of funds and the execution of a Notice of Exercise of Option to Extend Term in the form of Exhibit C within Attachment A. Increased costs for Fiscal Year 2024-25 will be included for City Council consideration as part of the final budget hearing and adoption.

California Environmental Quality Act

The proposed agreement is exempt from the California Environmental Quality Act under CEQA Guidelines section 15301 (operation of an existing program).

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Prepared by: Benjamin Fu, Director of Community Development

Reviewed by: Matt Morley, Assistant City Manager  
Christopher Jensen, City Attorney

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – Draft Agreement for Animal Services Between the City of San Jose and the City of  
Cupertino