

**CITY OF PALM DESERT
STAFF REPORT**

MEETING DATE: September 14, 2023

PREPARED BY: Richard D. Cannone, AICP, Development Services Director

REQUEST: RATIFY A CHANGE ORDER FOR CONTRACT NO. C41770 WITH RIVERSIDE COUNTY ANIMAL SERVICES IN THE AMOUNT OF \$58,725 TO COVER ADDITIONAL COSTS FOR FIELD AND ANIMAL SHELTER SERVICES FOR FISCAL YEAR 2022/23 – BUDGET ADJUSTMENT

RECOMMENDATION:

Ratify a Change Order for Contract No. C41770 with Riverside County Animal Services in the amount of \$58,725 to cover additional costs for field and animal shelter services for Fiscal Year 2022/23.

BACKGROUND/ANALYSIS:

On July 8, 2021, the City Council awarded contract C41770 with Riverside County Animal Services to provide animal sheltering services, animal control field services, dog licensing, removing dead animals from the right-of-way, and investigating reported animal incidents and complaints. This three-year contract renews automatically and funding for this contract is appropriated as part of the annual budget process. The contract was approved with an amount not to exceed \$350,000 and the budget line item for FY 2022/23 was \$339,826. The breakdown of expenditures include:

Item	FY 22/23 Budget	FY 22/23 Budget to Actual	Change
Operations & Maintenance	\$ 3,700	\$ 3,518	\$ 182
Professional & Field Services	\$ 253,136	\$ 273,125	\$ (19,989)
Field Services OT	\$ 23,180	\$ 36,038	\$ (12,858)
Sheltering Services	\$ 42,060	\$ 74,604	\$ (32,544)
License Processing	\$ 17,400	\$ 21,440	\$ (4,040)
Animal Traps	\$ 350	\$ -	\$ 350
	\$ 339,826	\$ 408,725	\$ (68,899)

Each year the Department of Animal Services sends staff a cost estimate costs for the upcoming fiscal year. Unfortunately, this estimate was not received until after the City's budget was approved and therefore the cost increase for Professional/Field Services (a fixed cost) was not reflected in the budget amount and represents a 100% cost recovery for Riverside County. Sheltering costs, which are not fixed, continue to increase annually. In FY 2020/21 there were a

total of 794 kenneling days compared to 1,843 days in FY 2022/23, a 132% increase. To compound this increase, the initial rate in FY 2020/21 was \$20.00 per day and the rate for FY 2022/23 graduated to the full cost reimbursement rate of \$34.10 per day, a 71% rate increase.

FINANCIAL IMPACT:

The Contract was approved with an amount not to exceed \$350,000; however, additional costs noted above increased the amount to \$408,725, a shortfall of \$58,725. These funds were available within Account No. 1104210-4304000 Police Servies and were transferred to Account No. 1104230-4309000 Animal Reg to cover the Animal Services Contract. The FY 2023/24 Approved Budget includes \$360,000 for the Animal Services Contract. Staff will monitor the sheltering costs closely and determine if a midyear adjustment may be needed.