



CITY COUNCIL AGENDA REPORT

MEETING DATE: MAY 15, 2012

ITEM NUMBER:

SUBJECT: RECEIVE AND FILE ANIMAL CONTROL SERVICES REVIEW

DATE: MAY 3, 2012

FROM: POLICE DEPARTMENT

PRESENTATION BY: TOM GAZSI, CHIEF OF POLICE
PHIL MYERS, SERGEANT

FOR FURTHER INFORMATION CONTACT: PHIL MYERS, SERGEANT @ 714-754-5074

RECOMMENDATION:

Staff recommends that the City Council:

1. Receive and file this report;
2. Reject the bid for animal control services;
3. Direct staff to further explore measures to increase dog licensing compliance rates either through the County or a non-profit organization; and
4. Authorize staff to rescind layoff notices that were distributed to Police Department personnel.

BACKGROUND:

In accordance with Council Policy 100-6, an Animal Control Services Contracting Committee was formed to evaluate the potential for the contracting of on-going City services. On August 24, 2011, the Committee met to discuss the duties and responsibilities of Animal Control. Based on detailed review of all the alternatives, it was concluded that the most viable alternative is to retain the existing service level, but at a lower cost through a public entity or a private company. In order to evaluate Animal Control Service options, staff prepared a draft Request for Proposal (RFP), which was reviewed and finalized by the Animal Control Service Contracting Committee.

On October 4, 2011, at the City Council meeting, the alternatives for Animal Control Services were presented to the City Council with a staff recommendation of releasing the RFP. The City Council directed staff to release the RFP based on staff input.

On October 10, 2011, the RFP for Animal Control Services was released with the following schedule:

- Release of RFP October 10, 2011
- Deadline for Written Questions October 18, 2011
- Responses to Questions Posted on Web October 25, 2011
- Proposals Due November 1, 2011

ANALYSIS:

In response to the City's RFP, a proposal was received from only one agency – Orange County Animal Care (OCAC).

An Evaluation Committee consisting of City staff and an outside agency staff member independently reviewed the proposal. The proposal was reviewed using the following criteria:

- Qualifications of the entity and key personnel;
- Approach to providing the requested services;
- Price proposal; and
- Innovative and/or creative approaches.

Review of Proposed Services:

On February 28, 2012, the Evaluation Committee met to review the proposal. Staff reviewed the level of service provided by the City's Animal Control Unit and how this service may be impacted by contracted services. The City's Animal Control Services are provided by two City animal control officers and supervised by a portion of a police sergeant's time.

The Evaluation Committee identified the following concerning OCAC services:

Benefits

- Wide variety of community programs and events;
- Large facility capable of boarding large and small animals;
- Large staff capable of providing a broad base of services;
- Projected higher revenue from licensing revenue; and
- Potentially higher licensing compliance rates.

Disadvantages

- Proximity of OCAC Center to the community of Costa Mesa (distance from the City to the facility - 12.0 miles to Orange County Animal Care Center vs. 5.4 miles to Orange County Humane Society);
- Level of service – No local animal control officer;
- Minimized local control; and
- Possible community disappointment with loss of city-based animal control.

The Orange County Animal Care RFP was divided into two sections – Animal Control Services and Animal Care Shelter Services.

Animal Control Services involved the following scope of service:

- Field Activities – These are the activities currently being performed by the Animal Control Unit. The RFP estimated 4,500 calls for service based upon historical annual calls for service;

- Barking Dog Investigations – These are the same type of investigations Animal Control staff currently conducts. The RFP estimated 200 barking dog investigations based upon historical levels of barking dog investigations; and
- Issuance/Renewal of Dog Licenses – OCAC would conduct all dog licensing and fee collection services.

FISCAL REVIEW:

The OCAC proposal’s estimated cost for Animal Control Services is \$555,580. After deducting estimated revenues for licensing, impounds, citations and other miscellaneous fees, the net cost for Animal Control Services is \$183,380.

Animal Care Shelter Services is the cost of boarding animals at the OCAC Center. The proposal’s estimated gross cost for Animal Care Shelter Services is \$349,036. After deducting estimated revenues for licensing (performed while animals are confined), kennel fees and veterinary services, the net cost for Animal Care Shelter Services is \$228,998. Thus, the total cost of this proposal is \$412,378.

The City’s Animal Control Services for FY 2012/2013 is proposed at \$349,389. Of that amount, \$71,000 is expended for Animal Care Shelter costs with the Orange County Humane Society in Huntington Beach. The projected revenue for FY 2012/2013 from dog licensing is \$88,000. After deducting the estimated revenue, the net cost for City Animal Control Services is \$261,389. This amount is \$150,989 less than OCAC’s proposal.

The table and bar graph below summarize the key variances between the OCAC proposal and current city costs for Animal Control services:

	Animal Control Service Costs	Animal Care Shelter Services Costs	Total Net Costs
Orange County Animal Control Services	Gross costs of \$555,580 minus Revenue of \$372,200 (licensing, impounds, citations, etc.) equals a net \$183,380	Gross costs of \$349,036 minus Revenue of \$120,038 (licensing, vet services, etc.) equals a net \$228,998	\$183,380 + 228,998 \$412,378
City of Costa Mesa in-house Animal Control Services	Gross proposed cost for FY 12-13 is \$278,389 minus estimated Revenue of \$88,000 equals a net \$190,389	Gross costs for Huntington Beach Humane Society for FY 12-13 is \$71,000.	\$190,389 + \$71,000 \$261,389
			Total net savings with in-house services \$150,989

In the RFP, a substantial revenue source for OCAC is dog licensing. The RFP estimates \$333,200 in dog licensing revenue alone; however, this number does not reflect the 50% discount for seniors. They derive this amount by estimating that 8,500 dog licenses would be issued or renewed. Their assumption is that 80% would pay the altered dog fee of \$24 and 20% would pay the unaltered dog fee of \$100. Thus, the average fee for all dogs is \$39.20. However, OCAC estimates that it would cost them \$168,789 to conduct full animal licensing services for the city. Thus, the net revenue for this service would be \$164,411.

The City's Animal Control licensing is projected to be \$88,000. This is an approximate 378% disparity in projected OCAC dog licensing revenue compared to the city's projected revenue. The OCAC figure appears to be based on a 45-50% compliance rate. The City's licensing fees are now handled by the Finance Department as a regular part of their duties. Since the Finance Department does not break out its cost for animal licensing, we do not have a comparative figure for our overhead. However, it is safe to say that the amount would be nominal since no additional employees were brought into the Finance Department to solely handle animal licensing. The City charges \$25 (\$10 for seniors) for altered dogs and \$80 (\$40 for seniors) for unaltered dogs.

In FY 2010/2011, City staff issued approximately 4,200 dog licenses. It is estimated, based upon a Costa Mesa population of 110,000 people, that there are approximately 28,000 dogs within the City. Our current compliance rate with dog licensing is about 15%. By comparison, the City of Fullerton (population 135,000) has a dog licensing compliance rate of 38.5%. OCAC provides services to 17 contract cities (including Fullerton) and the unincorporated areas of Orange County and has an overall dog licensing compliance rate of 45%. However, it should be noted that Orange County Animal Care staffs 11 full-time employees whose primary function is "dog license canvassing."

INNOVATIVE MERIT:

While it does not appear that the city will derive savings by contracting wholly with OCAC, it is apparent that dog licensing revenue and compliance are areas where the city might benefit from assistance from the County. The County has seasoned and well-trained personnel who specialize in increasing compliance and managing the licensing/fee collection function. The City may wish to entertain the possibility of contracting with the County just for this service. This strategy has not been formalized and is conceptual at this time. A formal strategy can be developed at a later date should the Council desire this approach.

Conversely, if the City set a modest goal of increasing our compliance to 30% from our current rate of 15% without outside assistance, we could double our licensing revenue, thereby reducing our net costs even further. However, it does not appear that the city has adequate resources to achieve this goal without the extensive use of untrained volunteers.

Another concept that staff will explore is the potential of allowing local school parent/youth volunteers to canvass the community and retain all or a portion of the first year licensing fee that is generated by new dogs becoming a part of the system.

ALTERNATIVES CONSIDERED:

The City Council may decide not to accept staff's recommendations and opt to reopen the RFP and/or independently seek another vendor.

LEGAL REVIEW:

A legal review is not required on this item.

CONCLUSION:

Based on the foregoing information, staff recommends that the City Council receive and file this report. In addition, staff recommends that the City retain the existing City Animal Control Unit and rescind the layoff notices previously served on these employees.

TOM GAZSI
Chief of Police

PHIL MYERS
Sergeant

ATTACHMENTS: 1 [RFP Determination Book](#)