

PERSONNEL AND ANIMAL WELFARE COMMITTEE REPORT relative to proposed management contract with Best Friends Animal Society (Best Friends) for the operation of the Northeast Animal Shelter.

Recommendation for Council action:

AUTHORIZE the General Manager, Department of Animal Services, with the assistance of the City Administrative Officer (CAO) and the City Attorney, to negotiate and execute a three-year management contract with Best Friends for the operation of the Northeast Animal Shelter, subject to the approval of the City Attorney as to form.

Fiscal Impact Statement: The CAO reports that approval of the recommendation contained in the December 7, 2016 CAO report will have no additional impact on the General Fund. The Department of General Services is budgeted \$200,000 annually to continue to provide basic facility maintenance and utilities for the Northeast Valley Animal Shelter. The recommendation will provide cost avoidance savings during the term of the contract based on the services Best Friends is willing to provide at no additional cost to the City. The value of services provided is approximately \$3.8 million per year.

Community Impact Statement: None submitted.

TIME LIMIT FILE - FEBRUARY 6, 2017

(LAST DAY FOR COUNCIL ACTION - FEBRUARY 3, 2017)

Summary:

On December 14, 2016, your Committee considered a December 7, 2016 CAO report relative to proposed management contract with Best Friends for the operation of the Northeast Animal Shelter. The contract is for a term of three years and is renewable for an additional three-year period. According to the CAO, the Northeast Valley Animal Shelter is a bond-financed facility approved by voters under the Proposition F (Fire and Animal Facilities) Bond Program in 2000. Construction of the Northeast Valley Animal Shelter (NEV), located in Mission Hills (Council District 7), was completed in 2008. Due to City budget constraints and limited resources during this time period, the NEV was not open to the public and functioned only as a limited evidence/special operations shelter from Fiscal Years 2008 through 2011.

On January 29, 2010, the CAO released its Three Year Plan to Fiscal Sustainability (Council File No. 09-0600-S159). In this report, the CAO recommended the issuance of a Request for Information (RFI) to determine if an animal welfare organization would be willing to operate one or more of the City's Shelters. The NEV was proposed for a public-private partnership in the Mayor's 2011-12 Proposed Budget and Council approved the release of the RFI.

On January 10, 2011 and after multiple discussions with the DAS, the CAO released an RFI for a contractor to operate one or more Shelters. The City received one response from Best Friends to operate the NEV. After reviewing its proposal in relation to available alternatives for NEV, the CAO and the DAS determined that pursuing a management contract with Best Friends

was in the City's best interest.

Since January 11, 2012, Best Friends has been providing programs and services at the NEV for nearly five years and its contract expires December 31, 2016. Under the terms of the current contract, Best Friends provides the City with the following services:

- a. On-site adoptions and monthly adoption events (primary function)
- b. Low cost spay/neuter surgeries, vaccinations, and medical care for the public and shelter animals (secondary function)
- c. Educational, outreach, and development programs (tertiary function).

Best Friends is obligated to take in approximately 3,000 animals annually from the Department for adoptions and to perform approximately 6,000 spay/neuter surgeries for the public and shelter animals.

On August 25, 2016, the CAO released a Request for Proposals (RFP) for a contractor to continue operating the NEV. The RFP was posted on the Business Assistance Virtual Network (BAVN), the City's main business opportunity portal. The RFP was accessed by 28 registered viewers of the BAVN portal and proposals were due from potential bidders on September 26, 2016. Subsequently, Best Friends was the only responder to the RFP. Based on the terms of its proposal, Best Friends would continue to administer adoption and spay-neuter services, plus provide community outreach and educational programs consistent with the DAS's mission. After an extensive review by the CAO, City Attorney, and the DAS, the Best Friends's proposal was deemed responsive to the requirements and provisions of the RFP. It is now recommended that a new contract with BFAS be approved for the operation of the NEV.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the contract with Best Friends as detailed in the December 7, 2016 CAO report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
RYU:	YES
HARRIS - DAWSON:	ABSENT

ARL
12/14/16

-NOT OFFICIAL UNTIL COUNCIL ACTS-