**Recommendation:** Pass a Motion 1) authorizing the City Manager or City Manager’s designee to execute Supplemental Agreement No. 2 to City Agreement PRC002049 with Friends of Front Street Shelter in the amount not-to-exceed $300,000, bringing the total not-to-exceed amount to $1,049,999 for contracted on-site veterinary services; and 2) authorizing the City Manager or City Manager’s designee to execute Supplemental Agreement No. 5 to City Agreement PRC000706 with VCA Mueller Pet Medical Center in the amount not-to-exceed $300,000, bringing the total not-to-exceed amount to $1.7 million for off-site and after-hours emergency veterinary services; and 3) ratify all prior supplemental agreements previously issued by the City Manager and resetting the City Manager’s authority to issue supplemental agreements accordance with Chapter 3.56 of the City Code.

**Contact:** Phillip Zimmerman, Animal Care Services Manager, (916) 808-8333, pzimmerman@cityofsacramento.org; Jennifer Chikasawa, Administrative Officer, (916) 808-5851, jchikasawa@cityofsacramento.org, Community Development Department

**Presenter:** None.

**Attachments:**
1-Description/Analysis
2-Supplemental Agreement with Friends of the Front Street Animal Shelter
3-Supplemental Agreement with VCA Mueller Pet Medical Center

**Description/Analysis**

**Issue Detail:** Staff is requesting authorization to execute the proposed supplemental agreements for Friends of the Front Street Animal Shelter and VCA Mueller Pet Medical Center. The supplemental agreements will increase each contract by $300,000 each. Supplemental Agreement No. 2 to City Agreement PRC002049 with Friends of Front Street Shelter in the amount of $300,000 will bring the total not-to-exceed amount to $1,049,999 for contracted on-site veterinary services. Supplemental Agreement No. 5 to City Agreement PRC000706 with VCA Mueller Pet Medical Center in the amount
of $300,000, will bring the total not-to-exceed amount to $1.7 million.

California Civil Code § 1834 states: “A depositary of living animals shall provide the animals with necessary and prompt veterinary care, nutrition, and Shelter, and treat them kindly. Any depositary that fails to perform these duties may be liable for civil damages as provided by law”. If an animal enters the Shelter and is sick or injured, it must be treated promptly. To comply with this Civil Code, Council approval is required for supplemental agreements to the existing professional services agreements with The Friends of Front Street Animal Shelter and VCA Mueller Pet Medical Center to provide, respectively, to provide on-site relief veterinary services and after-hours and holiday emergency veterinary services. The Shelter is classified as a depositary for living animals and therefore bound by California Civil Code.

Policy Considerations: City Code Section 3.56.090 requires Council approval to authorize the City Manager to bind the City by contract for purchases that are $250,000 or more. The recommendations in this report are consistent with Sacramento City Code Section 3.56.

The supplemental agreements with VCA Mueller Pet Medical Center and Friends of the Front Street Animal Shelter exceeds the City Manager’s approval authority and requires approval by City Council. The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements, and all agreements greater than $1,000,000 shall be made available to the public at least ten (10) days prior to council action. In compliance with the City Code, this item was published for 10-day review. This item was published for 10-day review on March 7, 2024, in compliance with the City Code.

Continuing to contract with Friends of Front Street Shelter and VCA Mueller Pet Medical Center ensures that Animal Care Services continues to comply with California Civil Code § 1834 to provide necessary and prompt veterinary care.

Economic Impacts: Not applicable.

Environmental Considerations: Not applicable. This is exempt from the California Environmental Quality Act (CEQA) because it does not have the potential for causing a significant effect on the environment. (CEQA Guidelines §15061(b)(3).)

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: To remain compliant with California Civil Code § 1834, it is imperative that the Shelter has daytime on-site and after-hours veterinarian services when the Shelter veterinarian is not on duty. Although the City currently has 3.0 FTE (full-time equivalent) veterinarian positions, two of the three positions remain vacant due to a nationwide veterinarian shortage. As a result of the shortage, private practices have increased their fees to cover the rising salaries of veterinarians. As a result, there is a need to increase the contract amounts of both agreements with Friends of Front Street Shelter and with VCA Mueller Pet Medical Center to continue services and pay for the additional costs that the City will incur.
Friends of Front Street Shelter is the only recognized 501(c)(3) nonprofit organization committed to assisting the City Front Street Animal Shelter achieve their goal of saving the lives of all strays, abandoned, and abused animals who come through its doors. To help the City Shelter achieve their life saving goal, Friends has contracted directly with a pool of up to 15 veterinarians to provide as needed, on-site relief veterinary services at the Shelter. Friends also manages the scheduling and payments for each of their contracted veterinarians which reduces administrative work for Shelter staff. In the best interest of the City, a request to suspend competitive bidding to continue contracting with Friends for on-site veterinary services was requested and approved by a two-thirds vote on June 20, 2023 - Resolution no. 2023-0210.

There are only two 24-hour emergency veterinary hospitals located within the City limits. The City has had previous successful contracts with VCA Mueller Pet Hospital dating back to 2013. Ideally, the City would like to contract with both emergency hospitals, however, several attempts were made by phone and e-mail to contact the only other 24-hour veterinary hospital in the City and they did not respond. As a result, a request to suspend competitive bidding for this contract was requested and approved by a two-thirds vote on January 7, 2020 - Resolution No. 2020-0001.

Financial Considerations: The current contract amounts are not sufficient to meet the operational needs for the current fiscal year. Due to the rise in veterinary service costs and the department's inability to fill two vacant Veterinarian positions, the demand for contract services to provide life-saving and after-hours care to sick and injured animals have increased significantly. The existing budget in the Animal Care division is insufficient to support ongoing veterinary services, but the department anticipates generating operational savings in the current fiscal year to cover the costs of both supplemental agreements. Additionally, there are extra funds in the F.O.C.A.S (Friends of the City Animal Shelter) account (I13000400) designated to partially fund the increased costs and alleviate the impact on the operating budget.

Future supplemental agreements will undergo review by department staff and will be contingent upon future fiscal year budget appropriations and savings within the department's operating budget.

Local Business Enterprise (LBE): VCA Mueller Pet Medical Center and Friends of Front Street Shelter are both qualified LBEs.
SUPPLEMENTAL CONTRACT

Project Title and Job Number: On-Site Contracted Veterinarian Services
Purchase Order #: Date: 2/1/2024
Supplemental Contract No.: 2

The City of Sacramento ("City") and ___Friends of Front Street Shelter ("Contractor"), as parties to that certain Professional Services Agreement designated as Contract Number ___PRC002049___, including any and all prior supplemental contracts modifying the contract (the contract and all supplemental contracts are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The Scope of Services specified in Exhibit A of the Contract is amended as follows:

   No changes to the Scope of Services

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Contract for payment of Contractor's fees and expenses, is increased by $300,000, and the Contract's maximum not-to-exceed amount is amended as follows:

   Agreement's original not-to-exceed amount: $249,999
   Net change by previous supplemental contracts: $500,000
   Not-to-exceed amount prior to this supplemental contract: $749,999
   Increase by this supplemental contract: $300,000
   New not-to exceed amount including all supplemental contracts: $1,049,999

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in schedules or in the delivery of other services by Contractor.

4. Contractor warrants and represents that the person or persons executing this supplemental contract on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental contract and bind Contractor to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this supplemental contract.

[SIGNATURES ON FOLLOWING PAGE]
SIGNATURES

The parties have signed this Contract, effective as of the day and year first stated above.

CONTRACTOR

Under penalty of perjury, I certify that the information provided here is correct.

James Houpt

Signature: James Houpt (Feb 24, 2024 12:14 PST)

Title: Board President

Additional Signature (if required):

Title:

CITY OF SACRAMENTO

A Municipal Corporation

APPROVED AS TO FORM:

Brittany Brace

Signature: Brittany Brace (Mar 6, 2024 11:34 PST)

Title: Deputy City Attorney

Reviewed By:

Signature:

Title:

Approved By:

Signature:

Title:

Additional Signature (if required):

Title:
The City of Sacramento ("City") and __VCA Mueller Pet Medical Center__ ("Contractor"), as parties to that certain Professional Services Agreement designated as Contract Number _PRC000706_, including any and all prior supplemental contracts modifying the contract (the contract and all supplemental contracts are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The Scope of Services specified in Exhibit A of the Contract is amended as follows:

   Please see the attached shelter contracts price list for veterinary services with VCA

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Contract for payment of Contractor's fees and expenses, is increased by _$300,000_, and the Contract's maximum not-to-exceed amount is amended as follows:

   | Agreement's original not-to-exceed amount: | $500,000 |
   | Net change by previous supplemental contracts: | -$900,000 |
   | Not-to-exceed amount prior to this supplemental contract: | $1,400,000 |
   | Increase by this supplemental contract: | $300,000 |
   | New not-to exceed amount including all supplemental contracts: | $1,700,000 |

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in schedules or in the delivery of other services by Contractor.

4. Contractor warrants and represents that the person or persons executing this supplemental contract on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental contract and bind Contractor to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this supplemental contract.

[SIGNATURES ON FOLLOWING PAGE]
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<tr>
<th>Description</th>
<th>Non-emergency price</th>
<th>Emergency price</th>
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<tbody>
<tr>
<td>Exam/Consultation Medical Condition</td>
<td>$89.00</td>
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<tr>
<td>Emergency Exam</td>
<td>n/a</td>
<td>$185.00</td>
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<td>Hospital Setup</td>
<td>$36.90</td>
<td>$44.28</td>
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<td>Hosp/hour, level 1 feline</td>
<td>$5.71</td>
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<td>Hosp/hour, level 2 feline</td>
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<tr>
<td>Hosp/hour, level 3 feline</td>
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<tr>
<td>Hosp/hour, level 1 K9 &lt;60lb</td>
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<td>Hosp/hour, level 1 K9 60lb+</td>
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<td>$9.97</td>
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<td>Hosp/hour, level 2 K9 &lt;60lb</td>
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<td>Hosp/hour, level 3 K9 &lt;60lb</td>
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<td>Hosp/hour, level 3 K9 60lb+</td>
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<td>Isolation, add’l per hour</td>
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<td>Blood Glucose</td>
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<td>Blood Profile 15</td>
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<td>PCV/TP</td>
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<td>Combo Test</td>
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<td>Abdo or Thoracic Radiographs + interp.</td>
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<td>Pain Management 1-2 injections</td>
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<td>Pain Management 3-5 injections</td>
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<td>Cerenia Injection (10kg)</td>
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<td>Sedation Level 1 (short procedure)</td>
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<td>Wound Clip/Clean, minor</td>
<td>$94.75</td>
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*Contract discount is 30% to above list price and any other services requested outside of this general list.

**Discount does not apply to outside services (such as Radiology interpretation, Ultrasound, Echocardiogram, Referral Surgery, and others).

***Prices subject to change Bi-annually in the Spring and Fall based on VCA requirements.
SIGNATURES

The parties have signed this Contract, effective as of the day and year first stated above.

CONTRACTOR

Under penalty of perjury, I certify that the information provided here is correct.

Signature: Margit Spencer (Feb 21, 2024 17:11 PST)
Title: Hospital Administrator

Additional Signature (if required):
Title:

CITY OF SACRAMENTO

A Municipal Corporation

APPROVED AS TO FORM:

Signature: Brittany Brace (Mar 6, 2024 11:34 PST)
Title: Deputy City Attorney

Reviewed By:

Signature:
Title:

Approved By:

Signature:
Title:

Additional Signature (if required):
Title: