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DEPARTMENT OF  
**ANIMAL SERVICES**  
221 North Figueroa Street  
5<sup>th</sup> Floor  
Los Angeles, CA 90012  
(888) 452-7381  
FAX (213) 482-9511

EDWARD A. BOKS  
General Manager

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**Report to the Board of Animal Services Commissioners**

**Edward A. Boks, General Manager**

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**COMMISSION MEETING DATE:** September 22, 2008

**PREPARED BY:** Anthony Sanchez

**REPORT DATE:** September 17, 2008

**TITLE:** Management Analyst II

**SUBJECT:** Three-Year Agreements for the Operation of the East Valley and Northeast Valley Spay/Neuter Clinics; Modified Request for Proposals for the Operation of the North Central and West Valley Spay/Neuter Clinics

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**BOARD ACTION RECOMMENDED:**

That the Board:

1. Amend the August 25, 2008 award of a one-year agreement (with a three-year renewal option) to a three-year Agreement, with one three-year renewal option, substantially in the form as on file, to Clinico, to operate the East Valley Spay/Neuter Clinic;
  2. Award a three-year Agreement, with one three-year renewal option, substantially in the form as on file, to Clinico, to operate the Northeast Valley Spay/Neuter Clinic;
  3. Direct Staff to transmit the proposed Agreements concurrently to the Office of the Mayor, and the Office of the City Attorney for approval as to form, and subsequently to the City Council, and authorize the General Manager of the Department of Animal Services to execute the subject Agreements upon receipt of necessary approvals;
  4. Direct Staff to modify the Request for Proposals (RFP) approved on August 25, 2008, to include only the operation of the Spay/Neuter Clinics at the West Valley and North Central Animal Care Centers, as described in the body of this Report, subject to review by the City Attorney as to form, and direct Staff to release the modified RFP.
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**SUMMARY:**

At the meeting of August 25, 2008, the Board voted to award a one-year agreement, with renewals of up to three additional years, to Clinico to operate the East Valley spay/neuter clinic as an interim method to provide spay/neuter services at that Care Center, while the Department

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released another RFP to solicit proposals which could more closely meet East Valley's volume of intact adopted animals. Since then, discussions with the staff of the General Services Department, the City Attorney's Office, the Chief Legislative Analyst, and the City Administrative Officer led to the consensus that since we had no responsive proposals for that location, and an urgent need for the services, it would be legally defensible to award a long-term agreement to Clinico to operate the East Valley clinic, despite Clinico's focus on public animals over adopted animals. The East Valley Animal Care Center staff will need to continue to transport half or more of our adopted animals to area veterinarians for sterilizations.

The City Attorney has agreed that it is in the City's best interest to keep the terms of East Valley's agreement to three years with a three-year renewal option, essentially a long-term agreement, consistent with both the RFP and Clinico's proposal. Because there were no competing proposals for East Valley, the City Attorney considers Clinico a sole source, and keeping the terms the same will more closely conform to the intent of the RFP and the needs of the City. At this point, there is no need to establish a temporary arrangement and re-release an RFP for East Valley. If the Board approves, Staff will move forward to execute an agreement with Clinico to operate that location, along with the Harbor spay/neuter clinic (as approved by the Board on August 25, 2008).

In recent discussions with Clinico, they have now indicated that they would also be willing and able to assume operations at the Northeast Valley clinic, in addition to East Valley and Harbor. As the Board recalls, there were no proposals for Northeast in response to the last RFP. In light of this, and given the current urgent need for spay/neuter services, the City Attorney has indicated that an award of the Northeast Valley clinic to Clinico is appropriate and therefore recommended. An agreement at that location would also be on Clinico's terms: three years, with a three-year renewal option, and focusing on sterilizing public animals but still available to sterilize some adopted animals should the Northeast Valley Animal Care Center open to the public in the future.

For each of the three locations, Clinico has requested, and the Department recommends, a ramp-up period from the time the agreements are executed, to allow adequate time to secure staff, equipment, and all resources needed to begin surgeries. At both Harbor and East Valley, Clinico will require approximately a 90-day ramp-up period (subject to re-assessment should the need arise), and approximately six months at Northeast Valley. A provision in each of the agreements will indicate the respective ramp-up period.

Agreements with Clinico will yield a savings to the Department, as their proposed compensation is a 10% discount off the standard fees for sterilizations, applicable to each location run by Clinico. To estimate the potential savings to the City, we can consider that the Department pays an average of \$69 per sterilization: if Clinico sterilizes ten animals per day (their proposed limit), 4 days per week, they can sterilize 2,080 animals per year, and Clinico discount would yield an estimated savings of \$14,352 per year at a given location. This savings can partially offset the cost of transporting animals to off-site veterinarians. At East Valley, animal control technicians (ACTs) transport animals on average five days per week. If an ACT takes two hours each day to transport animals, we have

$$\begin{aligned} 2 \text{ hours} \times 5 \text{ days} &= 10 \text{ hours per week,} \\ \times 52 \text{ weeks} &= 520 \text{ hours per year.} \end{aligned}$$

An ACT's fully-burdened hourly rate is \$45.24; thus

520 hours X \$45.24 = \$23,525 each year,  
including fuel, vehicle maintenance, and related costs to transport animals.

Other than the estimated savings yielded by Clinico's discount—\$14,352 per location, or \$28,704 for both East Valley and Northeast Valley—East Valley staff may be able to reduce the number of trips to off-site veterinarians.

Also at the meeting of August 25, the Board directed staff to release a new RFP for West Valley, Northeast Valley, East Valley, and North Central, which at the close of that meeting were the locations which would remain without potential long-term operators. Because of Clinico's new interest in operating the clinic at Northeast, upon Board direction Staff will remove the Northeast Valley clinic (along with East Valley) from the draft RFP and release it for West Valley and North Central, the only remaining unoccupied clinics. Additionally, the City Attorney suggested—and the Department concurs—that leaving the specific term and renewal option length open in the new RFP may be an additional factor to attract more proposals. Thus the RFP will be modified as follows:

- Locations will be West Valley and North Central only;
- The proposer may specify the term lengths, up to six years maximum;
- All other provisions of the new RFP, as discussed during the August 25 meeting, will remain the same.

If approved, the revised RFP will be released immediately upon review by the City Attorney.

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**FISCAL IMPACT:**

There is no impact to the General Fund. Funds to pay shelter animal sterilizations will be used from Fund 543, Spay and Neuter Trust Fund; Fund 842, Animal Sterilization Trust Fund; and Fund 841, Veterinary Medical Trust Fund, in accordance with trust fund limitations and as they would be paid to an outside veterinarian providing sterilization on adopted animals or animals qualifying for coupons. The amount of the discount off Board-approved fees will provide funding to accomplish more surgeries.

**Report to the Board of Animal Services Commissioners**

**General Manager**

**Subject:** Three-Year Agreements for the Operation of the East Valley  
And Northeast Spay/Neuter Clinic; Modified RFP for the Operation of the  
North Central and West Valley Spay/Neuter Clinics

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**Approved:**

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**Edward A. Boks, General Manager**

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**BOARD ACTION:**

\_\_\_\_\_ Passed

Disapproved \_\_\_\_\_

\_\_\_\_\_ Passed with noted modifications

Continued \_\_\_\_\_

\_\_\_\_\_ Tabled

New Date \_\_\_\_\_