



Report to: General Committee

Meeting Date: April 21, 2026

SUBJECT: 047-S-24 Animal Services Sheltering Contract Extension
PREPARED BY: Christy Lehman, Animal Services Supervisor. Ext, 2131
Jessica Brown, Procurement Specialist. Ext, 2388

RECOMMENDATION:

1. That the report entitled “ Animal Services Sheltering Contract Extension” be received; and
2. That the contract for Animal Services Sheltering be extended with Ontario SPCA for three additional years in the annual amount of \$263,293.00 with a two year optional renewal extension as per follows:
 - a. Year 1 (April 1, 2026 – March 2027) - \$263,293.00
 - b. Year 2 (April 1, 2027 – March 2028) - \$263,293.00*
 - c. Year 3 (April 1, 2028 – March 2029) - \$263,293.00*
 - d. Year 4 (April 1, 2029 – March 2030) - \$263,293.00*
 - e. Year 5 (April 1, 2030 – March 2031) - \$263,293.00*

*Years 2 – 5 are subject to an increased based on consumer price index (CPI).

3. That the contract be funded from Operating account 310-320-5370 (Animal Services – Canine Control) with an annual operating budget of \$275,000.00; and
4. That the Commissioner, Corporate Services be authorized to extend the contract for renewal Years 4 & 5 (2029 – 2031) based on the Consumer Price Index and subject to satisfactory performance;
5. That the tendering process be waived when in accordance with Procurement By-Law 2017-8, Part II, Section 11. Non-Competitive Procurement, items 11.1 (b) “where there is only one source of supply for the goods to be purchased”;
6. That staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain Council approval to extend the contract for the continued provision of animal sheltering and related services for a five-year term, consisting of an initial three-year agreement with a two-year optional extension.

BACKGROUND:

Animal sheltering services are required to support the City's legislative obligations related to the management and care of animals found within the City of Markham. Municipalities are responsible for ensuring that animals that are stray, abandoned, or otherwise in need of care can be safely and humanely housed. Maintaining a contractual relationship with a qualified sheltering provider capable of delivering these services is therefore necessary for the City to fulfill these obligations.

The City has maintained a service relationship with the Ontario SPCA for more than twenty years for the provision of animal sheltering and care services. Throughout this period, the Ontario SPCA has consistently delivered high-quality, professional services that align with the City's expectations for humane treatment, animal welfare, and veterinary care.

The organization has demonstrated strong operational capacity, housing an average of 400 City of Markham animals per year, supported by experienced staff and well-established animal care programs. Most notably, its comprehensive approach to animal welfare—including robust adoption, foster, rehabilitation, and veterinary care programs—has contributed to the lowest euthanasia rates experienced by the City over the course of this partnership.

The longstanding relationship has also enabled strong coordination between municipal staff and Ontario SPCA personnel, resulting in efficient processes for animal intake, care, adoption, and reunification with owners. This continuity of service, combined with a shared commitment to animal welfare, has supported consistent service delivery and positive outcomes for both animals and residents.

OPTIONS/ DISCUSSION:**Market Availability and Sole Source Justification**

A review of available service providers indicates that there are currently no viable alternative service providers capable of delivering the required level of animal sheltering services within the City's service area.

Municipal animal shelters in neighbouring jurisdictions are currently operating at or near capacity and are therefore unable to assume responsibility for an additional service contract at this time. While there may be future opportunities should some municipalities expand their shelter infrastructure, such expansion projects would involve planning, capital investment, and construction timelines that would likely exceed the proposed five-year contract term. Animal Services staff will continue to monitor these potential partnerships regularly and explore any opportunities in the future.

Additionally, there are currently no private sector organizations operating within the region that offer comprehensive animal sheltering services of the type required by the City. The specialized nature of the service—including intake, sheltering, medical care, adoption services, and humane animal welfare practices—limits the availability of qualified providers.

Given these constraints, the Ontario SPCA remains the only organization currently capable of delivering the full scope of required services.

Strategic Alignment and Service Value

The services provided by the Ontario SPCA strongly align with the City's strategic priorities related to animal welfare, responsible pet ownership, and humane community services.

Their programs emphasize rehabilitation, adoption, and community engagement, which contribute to positive outcomes for animals and support public expectations for humane treatment. The organization's commitment to maintaining low euthanasia rates and prioritizing adoption and recovery efforts reflects best practices in modern animal welfare service delivery.

Maintaining this partnership ensures continuity of service, preserves the quality of care currently provided, and supports Markham's commitment to responsible and humane animal management.

Overview

Animal sheltering services are required for Markham to meet its legislative responsibilities related to animals found within Markham. In the absence of City shelter, a contract with a qualified provider is necessary to ensure animals are housed and cared for in a safe and humane manner.

Based on the Ontario SPCA's proven track record, the absence of viable alternative service providers, and the strong alignment of services with City strategic priorities, it is recommended that Markham enter into a sole source agreement with the Ontario SPCA for a five-year term (three years plus a two-year optional extension).

This approach will ensure continued high-quality animal sheltering services while maintaining the humane standards and positive outcomes that have been achieved through this longstanding partnership.

The Markham Animal Adoption and Education Centre, formerly known as the Cat Adoption Centre, is included within the scope of this contract. Operations have been structured around a monthly large-scale weekend adoption event model, supporting improved operational efficiency and financial accountability. The current approach consolidates these events into a single day per month, contributing to additional cost savings. This model reflects observed adoption patterns, with the majority of adoptions occurring on the first day and reduced demand thereafter, resulting in a more efficient use of resources.

FINANCIAL CONSIDERATIONS

Operating Costs

PART I: 3-Year Extension (Years 1-3):

Year 1 (April 1, 2026 – March 31, 2027) - \$263,293.00

Year 2 (April 1, 2027 – March 31, 2028) - \$263,293.00*

Year 3 (April 1, 2028 – March 31, 2029) - \$263,293.00*

Total Cost Over 3-Year Extension Term - \$789,879.00*

The Ontario SPCA is contracted to ensure continuous capacity and readiness, not to provide a discrete, unit-priced service per animal. The flat fee pays for:

- staffing levels (veterinary, shelter, enforcement, administration),
- facility availability,
- on-call and statutory coverage,
- compliance with provincial animal welfare standards.

PART II: 2-Year Optional Renewal (Years 4-5):

Year 4 (April 1, 2029 – March 2030) - \$263,293.00*

Year 5 (April 1, 2030 – March 2031) - \$263,293.00*

Total Cost Over 2-Year Optional Renewal Term - \$526,586.00*

*Years 2 – 5 are subject to an increase based on CPI (All-Items Ontario) for the twelve-month period ending February of each year. February CPI represents the most recently published and finalized index available prior to the April 1 contract start date. This approach provided price certainty at the time of contract renewal and aligns with standard procurement and audit practices

**Years 1 through 5 of the contract be funded from Operating account 310-320-5370 (Animal Services – Canine Control). The existing annual Animal Services Sheltering Contract budget for this account is \$275,000.00, which is subject to annual increase based on CPI (All-Items Ontario) for the twelve-month period ending February each year for Years 2 through 5, and is subject to the corresponding annual budget adoption for each of those specified years. The favourable variance will be reported as part of the 2026 year-end result of operations, and the budget for future years will be adjusted accordingly, subject to budget adoption for 2027 to 2031.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Goal	Examples – How the Solution can Help Achieve the Goal
Exceptional Services by Exceptional People	Animal sheltering services are required to support the City's legislative obligations related to the management and care of animals found within the City of Markham. Maintaining this partnership ensures continuity of service, preserves the quality of care currently provided, and supports Markham's commitment to responsible and humane animal management.
Stewardship of Money and Resources	The operating efficiencies implemented pertaining to operating hours/days have resulted in net operating cost savings, while maintaining optimal service levels.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance has been consulted in preparation of this report.

RECOMMENDED BY:

Kimberley Kitteringham
City Clerk & Director, Legislative Services

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Not applicable