

27 May 2008

TENDER EVALUATION REPORT: ANIMAL MANAGEMENT SERVICES

Committee Finance and Governance

Presenter Cr Shanahan

Purpose

1. To award a contract to The Lost Dogs' Home for the Animal Management Services tender.

Consideration at Committee

2. As a result of consideration at Committee, the Finance and Governance Committee endorsed the resolution below.

Recommendation

3. That Council:
 - 3.1. award the contract for Animal Management Services to The Lost Dogs' Home for a term of three years with an option of a three year extension for a contract sum of \$151,200 per annum and otherwise in accordance with the negotiated terms and conditions of contract; and
 - 3.2. note the existing powers of Park Rangers to enforce dogs off leash areas.

Council Report Attachment:

1. Finance and Governance Committee, Agenda Item 5.5, 13 May 2008

13 May 2008

TENDER EVALUATION REPORT: ANIMAL MANAGEMENT SERVICES

Division Design and Urban Environment

Presenter Francis Khoo, Manager Parks Services

Purpose

1. To seek Council approval to award a contract to The Lost Dogs' Home for the Animal Management Services tender.

Recommendation from Management

2. That the Finance & Governance Committee recommend that Council award the contract for Animal Management Services to The Lost Dogs' Home for a term of three years with an option of a three year extension for a contract sum of \$151,200 per annum and otherwise in accordance with the negotiated terms and conditions of contract.

Background

Brief Description of Nature of Service

3. The scope of the services under the current contract include the following:
 - 3.1. implementing and maintaining domestic animal registration systems;
 - 3.2. resolving complaints and completing action requests;
 - 3.3. providing services to collect injured, relinquished, abandoned and stray animals, and animals at large;
 - 3.4. providing pound facilities and services, including vehicles and veterinarian care; and
 - 3.5. providing limited patrols of open space and public areas to assist in the enforcement of the relevant legislation.

Current Arrangements in the Contract

4. The current contract was awarded to the Lost Dogs' Home in 2003 and commenced on 1 January 2004. It was for a three year period with an option for a two year extension. When it expired in December 2006, it was extended for one year because a Best Value review was being conducted. The contract was subsequently extended for a further 6 months to 30 June 2008 because the Best Value review took longer than anticipated. One of the outcomes of the review was that the responsibility for animal management services was transferred out of the Health Services Branch and into the Parks Services Branch.

Proposed Arrangements

5. The proposed arrangements are similar to the current contract requirements except for the following:
 - 5.1. the scope will also include the area of Kensington and North Melbourne that will be transferred to the City of Melbourne on 1 July 2008; and
 - 5.2. the Contractor will be required to provide staff who can perform the role of an authorised officer pursuant to Section 72A of the Domestic (Feral and Nuisance) Animals Act 1994. This relates to the authorisation of persons who are not Council employees. However, the role of such an authorised officer is limited and significantly less than that of an authorised officer employed by the Council.
6. The Council has an Animal Management Coordinator which is a 0.5 EFT position whose responsibility includes:
 - 6.1. acting in the role of an authorised officer in animal management;
 - 6.2. contract management of the animal management services contract; and
 - 6.3. development and implementation of Council policies, procedures and programs in relation to animal management.
7. The contract also includes some provisional sum items (\$20,000) for education initiatives (for example free micro-chipping), doorknocks to improve animal registration rates and additional patrols in parks and public areas to ensure better compliance with on-leash requirements.

Rationale for putting out to tender

8. The contract will expire on 30 June 2008 and public tenders were invited as required by the Local Government Act to ensure that competitive services are procured by Council.

Proposed Fees

9. The 2008/09 budget submission for Animal Management includes \$109,000 for animal registration fees and pound release fees. In addition, parts of the suburbs of Kensington and North Melbourne that are within the City of Moonee Valley will transfer to the City of Melbourne on 1 July 2008. The budgeted revenue for those areas is \$12,000. Therefore, the total 2008/09 budget submission for the animal management services revenue is \$121,000.

Tender Process

Invitation to Tender

10. Tenders for the Animal Management Services Contract closed on 1 April 2008 after a three week tender preparation period. No late tenders were received.
11. When tenders closed, only one tender was received. This was from the Lost Dogs' Home which is the current service provider.

Evaluation Criteria and Weighting System

12. The following table lists the evaluation criteria that were stated in the tender documents.

Criteria	Weightings
Cost	50%
Experience, Capability & Past Performance	20%
Plan for Proposed Services	20%
Occupational Health & Safety & Quality Assurance	10%
TOTAL	100%

13. The Tender Evaluation Panel determined that the tender from the Lost Dogs’ Home (‘LDH’) complied with the requirements of the tender, contains pricing that is comparable to the current contract and is recommended as the preferred tenderer.

14. In particular, the LDH demonstrated the following strengths in its tender proposal:

- 14.1. it is a large organisation with depth/expertise to fulfil total delivery, including being the largest animal shelter in Australia;
- 14.2. it has good experience and track record in the delivery of animal management services to local government;
- 14.3. it is an animal welfare organisation that has a long history of caring for animals;
- 14.4. it is based in North Melbourne where it has the pound and shelter which is convenient for City of Melbourne residents;
- 14.5. it has a third party accredited Quality Management System to ISO 9001:2000; and
- 14.6. it has been providing similar services to the City of Melbourne since 1998.

Performance Measurement

15. The tender documents require tender proposals to indicate how the performance standards will be met. The performance of the Contractor will be measured on a monthly basis against performance measures that are detailed in the service specification. An annual assessment of the Contractor’s performance will be made against critical success factors.

Council Assets and Offsets

16. No Council assets will be made available to the tenderer.

Concluding comments

17. All members of the Tender Evaluation Panel concur with the recommendation.

Pecuniary Interest and Probity Statement

18. No member of the evaluation panel has a pecuniary or personal interest in the tenders or contract.
19. The evaluation has fully complied with the *Local Government Act 1989* and the Conditions of Tendering. No potential tenderer had access to the final specification prior to its release. All advice, written or verbal, provided to a respondent clarifying any aspect of the tender documentation was also provided to all other respondents. No tenderer was provided any advantage over other tenderers, and all were treated fairly and equally during the tendering process. Information provided by tenderers which has been deemed confidential, has been protected, and will not be disclosed. A consistent standard for all tenderers has been used in assessing any request for confidentiality by a tenderer/s.
20. Tenderers were provided Council's Conditions of Tendering. These conditions state that canvassing of Councillors by any tenderer on any matter relating to the tender will result in automatic disqualification.

Relation to Council Policy

21. Council aims to deliver quality services that are responsive to business and community expectations, demonstrably cost-effective and subject to public accountability. Council is committed to delivering its services equitably and in a way that meets customer needs, minimises costs and recognises Council accountability.

Finance

22. The 2008/09 budget submission for Animal Management includes \$120,000 for the animal management contract. In addition, parts of the suburbs of Kensington and North Melbourne that are within the City of Moonee Valley will transfer to the City of Melbourne on 1 July 2008. The budgeted expenditure for those areas is estimated to be \$11,000. Therefore, the total 2008/09 budget submission for the animal management contract is \$131,000.
23. The tender sum of \$151,200 per annum from the Lost Dogs Home exceeds the 2008/09 budget expenditure submission. However, the tender sum contains provisional sums totalling \$20,000 for education initiatives (for example free micro-chipping), doorknocks to improve animal registration rates and additional patrols in parks and public areas to ensure better compliance with on-leash requirements. The Council is not obliged under the contract to expend these provisional sum items.
24. Given that the tender sum exceeds the budget submission, the provision sum items will only be expended if additional funding can be found, for example, from additional animal services revenue or other sources to offset this expenditure.

Legal

25. When the Council intends to enter into a contract for the purchase of goods or services or the carrying out of works valued at \$100,000 or more, section 186 of the *Local Government Act 1989* imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

Sustainability

26. Animal management services serves to ensure that the amenity and sustainability of Council's parks and public spaces is improved and that there will be a reduction of nuisance and feral animals. The Contractor will provide educational services that encourage responsible pet ownership.

FINANCE ATTACHMENT

TENDER EVALUATION REPORT: ANIMAL MANAGEMENT SERVICES

The financial implications are detailed in the report. The draft budget for 2008/09 includes provision for the service inclusive of the new area associated with the transfer of the annexed area of Kensington and North Melbourne.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

TENDER EVALUATION REPORT: ANIMAL MANAGEMENT SERVICES

When the Council intends to enter into a contract for the purchase of goods or services or the carrying out of works valued at \$100,000 or more, section 186 of the *Local Government Act 1989* (“Act”) imposes a duty on the Council by public notice either to invite tenders or to invite expressions of interest.

Where a Council seeks expressions of interest, the Council must, when ready to enter into the contract, invite tenders from some or all of those who registered their interest in undertaking the contract.

The Act does not require Council to accept the lowest tender.

Kim Wood
Manager Legal Services