

Management report to Council

Agenda item 6.7

Animal Pound Services and Emergency After Hours Service contract: No 3566

Council

Presenter: Dean Robertson, Manager On-street Compliance Services

26 June 2018

Purpose and background

1. The purpose of this report is to award a tender for the provision of Animal Pound Services and Emergency After Hours Service to the Lost Dogs Home for three years with two, one year extension options.
2. The City of Melbourne is committed to educating its residents in responsible pet ownership through the implementation of Melbourne City Council's Domestic Animal Management Plan 2017 – 2021. The City of Melbourne is looking to enhance the services available to its pet owners, residents and visitors.
3. The services are currently been delivered by separate suppliers with an annual approach to market. The current providers are The Lost Dogs' Home for Animal Pound Services and Melbourne Pet Ambulance for After Hours Emergency Services.
4. The existing contracts expire on 30 June 2018. Each is based on a schedule of rates. The Animal Pound Services costs approximately \$110,000 per annum and After Hours Emergency Services costs approximately \$15,000 per annum.
5. The tender was advertised in 'The Age' newspaper on Saturday 31 March 2018, collectively for both services. Suppliers were invited to respond to a single service or both services.
6. Three tender submissions were received. The Lost Dogs' Home responded to both services, and there was 1 additional respondent for each service. All tender responses were compliant.
7. The weightings of the evaluation criteria were declared in the invitation to tender documents, and were Cost (60 per cent), Experience, Capability and Past Performance (25 per cent), Plan for Proposed Services (15 per cent).
8. The tender evaluation summary is contained in Attachment 1.

Key issues

9. The cost to Council of appointing the Lost Dogs Home based on the Schedule of Rates is an annual estimated spend of \$110,000 for Animal Pound services and \$15,000 for Emergency After Hours Services.
10. The Lost Dogs' Home as the incumbent service provider for the animal pound service and has met all audit and service requirements. Having the animal pound and emergency after hours services delivered by one provider, provides a single point of contact for customers and staff as well as more efficient contract management of the total services.
11. Tenderer A which only tendered for the Animal Pound Service and was approximately 37 per cent more expensive for the same or similar service. Tenderer B which only tendered for the Emergency After Hours Service and was approximately 12 per cent more expensive for the same or similar service.

Recommendation from management

12. That Council awards the contract for the provision of Animal Pound Services and Emergency After Hours Service to The Lost Dogs' Home for a term of three years commencing 1 July 2018 with options to extend the contract term by up to a further two, one year options in accordance with the schedule of rates and otherwise in accordance with the negotiated terms and conditions of contract.

Attachment:

1. Supporting Attachment (Page 2 of 3)

Supporting Attachment**Legal**

1. Pursuant to section 186 of the *Local Government Act 1989* (Vic), before a Council enters into a contract for the purchase of goods or services to the value of \$150,000 or more (levels increased by Order in Council dated 7 August 2008), the Council must give public notice of the purpose of the contract and invite tenders from persons wishing to undertake the contract.

Finance

2. These are long standing services that have been budgeted for annually. The financial viability of the recommended supplier has been assessed during recent procurement activities. Costs for these services have been included in the 2018–19 financial year budget.

Procurement

3. This matter was led by the Category Manager with adoption of the Centre Led Procurement Policy and Procedures.

Tender evaluation summary

4. The membership of the tender evaluation panel was as follows.

Title and/or company	Generalist or Nominated Speciality	Full / Advisory Member
Category Manager, CoM	Procurement Specialist (Chair)	Full
(Acting) Animal Management Coordinator, CoM	Industry Expert	Full
Program Manager Compliance, CoM	Generalist	Full
Park Operations Officer, CoM	Probity Officer	Full

5. The summary of final scoring for the 2 conforming tenderers for each service is shown below:

Summary of final scoring - Animal Pound Services				
Company	Price <i>(Refer to Note 1)</i>	Financial score <i>(Refer to Note 2)</i>	Non-financial score	Total score
The Lost Dogs' Home	\$327,276	60.0	32.0	92.0
Tenderer A	\$524,232	37.46	25.25	62.71

Note 1: this price applies to the combined estimated cost for years 1, 2 and 3 based on a schedule of rates and estimated quantities.

Note 2: this score includes an assessment of both lump sum pricing and schedules of rates.

Summary of final scoring - Emergency After Hours Service				
Company	Price <i>(Refer to Note 1)</i>	Financial score <i>(Refer to Note 2)</i>	Non-financial score	Total score
The Lost Dogs' Home	\$33,000	60.0	28.0	88.0
Tenderer B	\$37,500	52.80	28.0	80.8

Note 1: this price applies to the combined estimated cost for years 1, 2 and 3 based on a schedule of rates and estimated quantities.

Note 2: this score includes an assessment of both lump sum pricing and schedules of rates.

Conflict of interest

- No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

- Extensive feedback was obtained from the community. This has been incorporated into the Domestic Animal Management Plan where possible and appropriate.

Relation to Council policy

- The contract relates to Melbourne City Council's Domestic Animal Management Plan 2017–2021.