

**1.6 ANIMAL POUND SERVICES CONTRACT**

(GT: Contract 2016122)

Responsible Director: Peter Panagakos

**RECOMMENDATION**

*That Council calls for public tenders for its Animal Pound Services to have a new contract commencing on or around 1 July 2021.*

**INTRODUCTION**

The purpose of this report is to recommend that Council calls for tenders for the continuation of its Animal Pound Services.

**BACKGROUND**

The current contractor, the RSPCA, was awarded a three (3) year contract on 27 September 2016 with one optional two (2) year extension. This was based on a fixed lump sum price of \$333,343 for the first year (including GST) and an after-hours animal collection service based on the Schedule of Rates offer of \$300 (including GST) per call out. The fixed and scheduled rates for this contract was also subject to an agreed annual indexation.

The current contract will expire on 30 June 2021 with no further extension options. It provides for a pound service to Council for the total care, management handling, accommodation and disposal of all animals delivered to the pound by Council's authorised officers. In addition, the contract requires the provision of an emergency after-hours service as required which, in the case of the current contract, is sub-contracted to Melbourne Pet Ambulance.

**DISCUSSION****Option to bring the service in-house**

As a result of earlier considerations, the alternative of establishing and maintaining a new Council pound had not been regarded a realistic option.

Aside from the challenges associated with locating a pound in a suitable location and the capital investment and running costs, it is currently understood that a contractor can more readily absorb the capital and operating costs in the provision of a service such as this. This is particularly achievable where they provide services to more than one party and can distribute their running costs across a number of contracts.

That being said, contract fees have risen sharply over the last 7 years. Depending on the costs that result from the next tender, and if there are significant increases yet again, officers may recommend as part of the Domestic Animal Management Plan review that other models for the provision of pound services be explored.

#### Length and type of contract

It is proposed to call for tenders from those who may wish to provide the total care, management handling, accommodation and disposal of all animals delivered to the pound by Council's authorised officers, as well as an emergency after-hours service as required.

Historically, this contract has been awarded for three (3) years with an option of one (1) additional two (2) year extension. With the current tender, it is proposed to call for tenders for a similar initial contract term of three (3) years with an option of two (2) separate one (1) year extensions. This provides greater flexibility for Council in case alternative service options become more commercially viable.

Furthermore, the tender will also seek submissions from suppliers who may wish to provide only an emergency after-hours service or only the total care, management handling, accommodation and disposal of all animals delivered to the pound by Council's authorised officers. Separating these service options may create improved service outcomes.

#### **FINANCIAL IMPLICATIONS**

The re-tendering of the Animal Pound Services contract provides the opportunity to renegotiate the cost of the service.

#### **CONCLUSION**

In order for Council to continue to provide its animal management service, of which the provision of an emergency after-hours service is an integral part, a public tender will be required to source the best value providers for this service.