

CT7784 ANIMAL POUND SERVICES CONTRACT

Report Author: Manager Community Wellbeing

Responsible Officer: Director Communities

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

Confidential information is contained in Attachment 1. This information relates to contractual matters and contains commercially sensitive information including, but not limited to, the name of tendering parties, the evaluation panel members, and the evaluation of the tenders received. If a discussion of any of this confidential information is required, the Council is recommended to resolve that item by having it deferred to the confidential section of the agenda when the meeting is closed to members of the public in accordance with Section 3(1), g(i)g(ii) of the *Local Government Act 2020*.

SUMMARY

This report summarises the tender evaluation process taken for the provision of the Animal Pound Services contract and seeks Council noting.

An advertisement calling for tenders was placed in the Age newspaper on Saturday 15 February 2025.

Tenders closed Wednesday 3 March 2025, and one (1) submission was received.

The recommendation in this report has been formally endorsed by the tender evaluation panel.

The Contract will be for an initial period of three (3) years, Council having the solo option to extend the Contract for an additional two (2) periods of one (1) year each.

RECOMMENDATION

That

- 1. Council enters into a contract with Victorian Animal Aid Trust to deliver the pound services for an estimated contract value of \$3,126,678.50 (inclusive of GST) and inclusive of all possible extension options.**
- 2. The Director Communities be delegated authority to sign any related contract documentation for the initial period of three (3) years.**
- 3. The Director Communities be delegated authority to extend the contract term by two periods of one year.**
- 4. The Confidential Attachment to this report remain confidential indefinitely as it relates to matters specified under section 3(1)(g)(i)(g)(ii) of the Local Government Act 2020.**

RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

DISCUSSION

Purpose and Background

In order to fulfill its obligations under the *Domestic Animals Act 1994*, Council must have the capacity to seize and impound nuisance domestic animals (in particular dogs and cats). Under Section 84Y of the Act, Council may engage a 3rd party to fulfill that function, and this is an attractive solution, given the extensive regulation and codes of practice that must be adhered to by an entity holding domestic animals.

Under these provisions Council (or a Council contracted service provider) must provide a means of holding impounded animals and ensuring their care until such time the animal can be claimed, rehomed or, if necessary, euthanized. It is also necessary to collect and impound animals after hours and as such the following services are required:

- Provision and maintenance of a high quality, readily accessible, responsive animal pound facility
- Ensuring that the pound meets the requirements of the Code of Practice for the Management of Dogs and Cats in Shelters and Pounds
- Secure impoundment and care of animals
- The correct release or disposal of impounded animals
- Registration of animals

- Keeping of accurate records of animals received, held and disposed of from the pound
- Collection and banking of fees and charges
- Provision of an after-hours animal collection service which satisfies Council's statutory obligations and objectives outlined in the Domestic Animal Management Plan
- Promotion of responsible pet ownership and public education.

The cost of animal impoundment is partially offset by the charging of fees prior to the release of animals back to their owners. This most typically occurs when an animal is impounded after being found wandering, or when a dog is impounded following a dog attack.

Most eastern metro Councils use a single provider, and there is limited market for alternatives. During the tender process, one (1) tender was received, which was considered favourably by the panel.

Options considered

The procurement method for this tender was a single stage competitive open tender.

An advertisement calling for tenders was placed in the Age newspaper on Saturday 15 February 2025. Tenders closed Wednesday 3 March 2025, and one (1) submission was received.

The tender process has been carried out in accordance with the requirements of Council's Procurement Policy and the endorsed evaluation plan. The tender was assessed for conformity with the tender documents. A summary of the tender submission is contained within the confidential attachment to this report. The evaluation panel scored the tender against the pre-established evaluation criteria, as published in the tender document.

A summary of the evaluation criteria follows

- Tendered Price – 35%
- Capability & Capacity - 25%
- Methodology – 15%
- Quality Management – 20%
- Commitment to Sustainability (including community benefit) - 5%

Recommended option and justification

Following an extensive evaluation process as detailed in the Confidential attachment, the tender evaluation panel are unanimous in their decision to recommend the tender from Victorian Animal Aid Trust.

FINANCIAL ANALYSIS

Through the tender process, one (1) submission was received with an annual cost proposal of \$625,335 (inclusive of GST) and annual increase/s in line with CPI proposed by the tender applicant resulting in an estimated contract value of \$3,126,678.50 (inclusive of GST) and inclusive of all possible extension options.

The last year of the current contract was valued at \$266,778 (inclusive of GST). Yarra Ranges has enjoyed a favourable, ten-year contract which has now concluded.

In the 23/24 FY, Council charged \$50,328 in recovery fees charged to owners who are recovering animals from the Shelter, which helps offset the spend.

Officers will review this fee structure in line with the annual fees and charges budget process and will undertake benchmarking of other Councils fees to ensure we are maximising our cost recovery opportunity.

It should be noted that the tender includes an “incentive” financial clause, designed to incentivise Council to reduce the intake of animals into the shelter.

The fee structure is effectively a lump sum payment based on Council’s four (4) year average intake of animals.

In the first year, Council has no cap of intake of animals. In the second year, Council must reduce its intake to 90% of the four (4) year average or attract additional fees per animal. In the Third year, Council must reduce its intake to 80% of the four-year average.

If Council exceeds those thresholds, the fees are charged per animal as follows –

Cat/Kitten - \$266

Dog/Puppy - \$509

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan: Connected and Healthy Communities

RELEVANT LAW

Local Government Act 2020 – compliance with Section 108 and 109 relating to the procurement and tender process

Domestic Animals Act 1994, Section 84Y – Council must either operate a pound or contract with an approved provider for pound services including custody, sale, or destruction of seized animals

Prevention of Cruelty to Animals Act 1986 – ensuring appropriate animal welfare standards in pound operations

SUSTAINABILITY IMPLICATIONS

Economic Implications

Through this tender process and awarding of the Animal Pound Services Contract, Council has an opportunity to support a local not-for-profit organisation who employ and engage with our local community.

Social Implications

The tender review and review of the Victorian Animal Aid Trust has outlined the positive social implications of awarding the tender to a local organisation, used by neighbouring Councils to provide animal pound services. These include but are not limited to, that Victorian Animal Aid Trust;

- Have significant experience operating Animal Pound Services (40 years.)
- Have appropriately qualified staff to manage the facilities.
- Provide extended operating hours including after-hours/on-call services.
- Advocate for adoption over destruction of surrendered or uncollected animals.
- Are located within the municipality (Coldstream).
- Employ staff who reside within the municipality.
- Are a Not-for-Profit organisation.
- Engage in the following socially sustainable practices:
 - Conduct group visits for people with disabilities to interact with animals;
 - Place studying veterinarians;
 - Engage volunteers; and
 - Foster responsible pet ownership at community events.
- Have committed to improve security of the existing facilities.

Environmental Implications

Yarra Ranges Council and Victorian Animal Aid Trust have previously partnered to acquire and make available an 'animal emergency management trailer' to be deployed during emergency events at relief centres.

The geographic location and ease of access for the Yarra Ranges community increases the likelihood of responsible pet surrender, in circumstances where increased travel time may result in situations of animals being abandoned or otherwise harmed.

Partnering with a local not-for-profit also offer direct support for responsible pet ownership programs and rehoming of cats and dogs to protect and ensure the sustainability of our natural environment and wildlife.

COMMUNITY ENGAGEMENT

Not applicable.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Community Safety team engaged with multiple neighbouring and similar Councils to identify past, current and future options in this space with the identification that Victorian Animal Aid Trust are utilised by several neighbouring Councils due to their capacity and capability.

RISK ASSESSMENT

Risks were considered as part of the tender evaluation process and reflected in both commentary and supported scoring.

A significant risk of delaying the awarding of this contract is the unmanaged and unknown costs which could be incurred by Council in any interim period not covered by a contract. This risk is mitigated through the progression of this process to ensure Council is in a financially stable position.

Council Officers are committed to a range of measures to reduce intake of animals to ensure we reduce the risk of increasing costs.

This includes steering feral cats away from the pound system, exploring a holding facility, and reviewing collection and return practices of officers.

Further, Officers have commissioned a report by an experienced consultant to explore short and long-term options for services into the future, including collaborations with other Councils to seek savings and ensure the long term.

The contract includes a clause which provides Council the opportunity to inspect the facility to ensure compliance with the contract and relevant codes of practice.

Council is also the issuing authority of the domestic animal management permits for both the shelter and boarding businesses, and conducts annual inspection of the site before issuing the permit.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. CT7784 Animal Pound Services (Confidential Attachment)