

## Contracting Animal Control Services

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### Introduction

This paper provides an overview of the benefits, disadvantages and process of contracting out Animal Control Services within a Local Government environment. This paper has been prepared based on personal experience as a Senior Manager directly responsible for animal management services within a Local Council due to the Compulsory Competitive Tendering era in Victoria as well as knowledge of the industry.

### Background

Contracting out of Council Services is nothing new. For many years now Councils throughout Australia have been tendering out major projects such as the building and construction of roads, bridges and council facilities. However with perhaps the exception of garbage collection, prior to the mid 1990s contracting was generally limited to one off special projects where Council either did not have sufficient internal staff/resources or expertise to undertake the project.

In the mid 1990s Local Government in Victoria was embarking on significant and monumental changes with the forced amalgamation of 210+ Councils into 78 larger Councils. These larger Councils were required to bring about a 20% rate reduction for the residents and market test 50 percent of its budgeted services. By market testing, the State Government of the day meant Compulsory Competitive Tendering whereby Council operations were divided into two, the client (council political and management who were charged with providing and purchasing services on behalf of the ratepayers) and the provider (existing council staff who supervised and actually undertook the physical delivery of a given service).

As the client aspects of Council services were not able to be market tested, this increased the level of provider services that were required to be put out for tender to between 70-80% in order to meet the Governments mandatory requirement for 50% overall. Consequently every direct service provided by Council was evaluated on its suitability for and impediments to tendering, including animal control.

Some services such as a maintenance, garbage and parks were exposed to the tendering process in most Victorian councils, the decision whether to tender animal control services varied considerably from tendering and contracting out all animal services to only part and in some cases none. Under the Domestic (Feral and Nuisance) Animals Act 1994 an Authorised Officer, unlike other enforcement Acts, required the Officer to be a direct employee of the Council and not a contractor. Despite the legislative impediments to the contracting out of Council animal control services, some councils decided to contract out the basic provisions of animal control services such as the collection of stray animals, pound services and the preliminary investigation of complaints whilst retaining at least one in house Authorised Officer who became the signatory for any enforcement matters or where Council was required to exercise a specific statutory power.

Now that Compulsory Competitive Tendering is no longer a statutory requirement in Victoria only a few Councils (6%) still engage contractors to undertake basic Animal Control Services rather than employing their own staff; but by far the most common use of contractors is in the delivery of pound services (55% of Councils) and provision of extended Officer services such as after-hours collection (29% of Councils) of stray animals and additional staff to undertake doorknocks for registration.

The contracting out of any service is a relatively straight forward and easy process providing there are no statutory impediments to the service being delivered by contractors. Based on consultation with the various State and Territorial authorities, with the exception of New South Wales who do not permit the contracting out of enforcement function and Victoria who have restricted the enforcement functions able to be contracted out, there does not appear to be any restriction to the possible contracting out of animal control services and in particular pound and animal pick up services within Australia.

### Contracting of services

The contracting of Council Services is an emotive issue particularly when it affects the livelihood of existing staff, but emotion aside the contracting of services from a Council organisational perspective can be both financially rewarding and enhance services if done correctly. The contracting process affords Councils the opportunity to review existing services to ensure they are meeting the community expectation through the development of a specification and testing of services provided by Council against external competitive markets.

### Impediments to contracting

Whilst there can be benefits in contracting Council services there may also be some disadvantages. A summary of the main impediments is as follows:

#### **Financial**

It is acknowledged that the contracting of services can have financial benefits, but Councils need to be aware that any financial benefit may be short term only. Often one of the financial benefits to Councils in the contracting out of animal control services is the reduction in operational and capital expenditure, such as vehicles, equipment, computers, pound facilities and maintenance, just to name a few. The savings are often considered, particularly when internal staff have been unsuccessful in obtaining the contract, to offset the cost of redundancies. However whilst initially this may be true, it can lead to a dependency by Councils on the continuation of contracts in the future which ultimately result in increased costs. Experience in Victoria with the contracting out of animal control services revealed that cost of the second and subsequently contracts dramatically increased due to under-quotation by providers hoping to bring about long term market influence, or poor specification development. Nevertheless because of the cost of replacing lost infrastructure eg; office accommodation, and pound facilities plus equipment eg vehicles, radio systems, many Councils were unable to re-establish in-house services and were therefore committed to continuing with contract providers despite the significant increase in costs.

#### **Liability**

Many Councils who contracted out the animal control and other services were of the belief that by contracting out services they were no longer liable for public and employees Occupational Health and Safety claims, litigation for damages or loss as a result of negligence. However the experience was quite the contrary, despite contracting out the services Councils could still be held liable for not ensuring their contractor complied with statutory requirements or adequately performed their duties.

Similarly given a major proportion of animal control services relate to statutory enforcement of state and local laws for the protection of the broader community, in the event an alleged defendant is incorrectly charged or the contractor fails to adequately investigate an incident, Council, despite contracting out the services, may still be the subject to a claim for damages.

### Service Delivery

For financial and liability reasons, the quality of staff, level of services and service flexibility became paramount to the success of the contract. Often one of the unforeseen implications of contracting out council services to an external provider is that Council no longer has the ability or flexibility to utilise the staff or facilities for alternative or additional duties. Any increment or variation on the agreed tender services would result in a contract variation at council's expense.

As with existing and any new staff employed by Council, staff utilised by a contractor in the delivery of services on Council's behalf can have an impact on the image of Council, however unless specified in the contract or specifications there may not be the ability to influence their continued service with and on behalf of Council.

Consequently the development of the specification and tendering process is very important to the success of this and future tenders. A summary of the possible contract process is as follows:

## Tender process

### Specification development

Contract specifications generally provide an overview of the environment, specific terms, conditions, contractual obligations and limitations plus the documented evidence required as part of the tendering process such as:

- An introduction and overview of the Municipality
- A summary of the type of contract and duration (eg fixed cost contract or fee for service as required),
- Any specific Council contractual requirements such as location, record management, facilities, finance systems, terms of payment.
- Requirement (if any) for quality management and services provisions
- Scope and level of services required

The key to success in tendering/contracting out any service is the development of a clear scope of work which should include the type of service, level of services and performance measures which accurately reflect the desired service. In my experience both as a Contractor (provider) and Council Contract Manager (client) it is essential that an appropriate scope of works be developed to ensure a successful tender for all concerned. In the past it has been known for existing employees to refuse to assist with the development of the scope of works in an effort to disadvantage potential bidders, however this in fact often disadvantages the present incumbents due to inconsistency and underpricing by competitors as a result of a poorly prepared scope of works. Consequently officers currently involved in delivering the service should actively seek to be involved in the development of the scope of works and performance measures, after all who knows your job better than you! Additionally being involved in the development phase will provide you with the opportunity to familiarise yourself with the documentation and any variance from the services currently being provided.

Specifications need to include all facets of animal control services to be tendered. The best way of achieving this is to list the various activities and functions of the service and place it under some broad heading. An example, but by no means an exhaustive list of activities, is as follows:

<b>Animal Control Services</b>					
<b>1. General Patrols</b>	<b>2. Enforcement</b>	<b>3. Pound Services</b>	<b>4. Administration</b>	<b>5. Customer Service</b>	<b>6. Pet Education</b>
<ul style="list-style-type: none"> <li>◆ Patrol the streets and reserves.</li> <li>◆ Detect, impound and enforce wandering dog provisions.</li> <li>◆ Attend and respond to animal complaints.</li> <li>◆ Investigate dog attacks reported or detected.</li> <li>◆ Provide an emergency telephone and after hours call out service.</li> <li>◆ Where detected attend to and if necessary impound injured animals.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Issue infringements for offences detected.</li> <li>◆ Maintain revenue from animal infringements.</li> <li>◆ Consider appeals against infringements.</li> <li>◆ Prosecute in open court offences where defendants wish to appeal offences further or offences detected that require a court appearance.</li> <li>◆ Enforcement of infringement notices where owners fail to expiate notice</li> </ul>	<ul style="list-style-type: none"> <li>◆ Supply, maintain and clean pound facilities.</li> <li>◆ Feed, water and provide veterinary care for impounded animals.</li> <li>◆ Facilities to be accessible to public.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Distribute dog registration and renewal notifications.</li> <li>◆ Maintain a central electronic database of all registered animals.</li> <li>◆ Maintain and file copies of original registration applications and renewals.</li> <li>◆ Supply and distribution of registration tags linked to animal registration database and filed copies.</li> <li>◆ Administer various permit systems for excess animals.</li> <li>◆ Provide regular reports and legal advice on Animal Control Services</li> </ul>	<ul style="list-style-type: none"> <li>◆ Respond to general counter and telephone enquires.</li> <li>◆ Respond to all correspondence relating to the provision of animal control services</li> <li>◆ Clarify and assist in the resolution of neighbourhood conflicts.</li> <li>◆ Provision of accurate advice and information pertaining to animal control services.</li> <li>◆ Provide a register of lost and found companion animals within the municipal district.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Develop and implement an Education program promoting responsible pet ownership.</li> <li>◆ Develop and deliver a responsible pet ownership program suitable for primary school children.</li> </ul>

Once you have the broad headings and sub-categories you can then produce a more detailed scope of services which include the activity, workload indicator and performance criteria. An example of a possible format and methodology is as follows:

## ANIMAL CONTROL SERVICES

ACTIVITY	WORKLOAD INDICATOR	PERFORMANCE CRITERIA
<b>4 Administration</b> 4.1 Ensure distribution of dog registration & renewal of registration forms.	Currently approx. 21,000 dog registration and renewal of registration forms distributed annually.  Approximately 30% of owners require reminder letters to register their animals.  Approximately a further 8-10% require an inspection by an Authorised Officer to ascertain status.  Records are to be updated daily.	<ul style="list-style-type: none"> <li>• Council's Dog registration program is to be undertaken in accordance with the relevant legislation and Council's Policy and Guidelines. The service is to be provided to the satisfaction of Council</li> <li>• Annually eight weeks prior to the due date renewal notices are to be circulated to all known owners of registered animals.</li> <li>• Additionally advertisements are to be placed in the local newspapers reminding owners of their obligation to register prior to 10 April.</li> <li>• 70% of all known dogs in the Municipality are registered by the due date, currently 10 April each year.</li> <li>• All incoming data as a result of Council's annual renewal of animal registration must be placed and updated on Council mainframe computer system by 31 May.</li> <li>• Reminder notices are to be sent to all registered owners who have failed to renew their animal's registration by 31 May.</li> <li>• 90% of all known dogs in the Municipality are to be registered prior to 20 June each year.</li> <li>• Following 20 June Officers are to door knock all premises when animal registration has not been renewed and notification has not been received.</li> <li>• Should unregistered animals be detected following this process an infringement notice is to be issued.</li> <li>• Dog registration compliance rates will be calculated on the basis of analysis of data from a random sample of 1000 premises in the Municipality, conducted by the Service Provider to the satisfaction of Council.</li> </ul>
4.2 General maintenance of information on Council mainframe computer system relating to dog registration details and status.	Approx. 21,000 such records recorded and / or maintained per annum.	<ul style="list-style-type: none"> <li>• Minimum 99% accuracy of information on Council's dog and cat register, updated daily.</li> <li>• Input and maintenance of information concerning dog and cat registration, on Council's mainframe computer system.</li> </ul>

The above example scope of works provides prospective bidders with enough detail to enable them to understand the functionality and amount of the work but not the method of delivery. By ensuring the scope of works is informative and complete it will increase the likelihood that prospective providers are all bidding for the same work and not underpricing due to misinformation. It should be noted based, on Victorian experience, the more fragmented the service the more likely it is to be won externally, therefore the more services combined together the best it is for internal applicants.

### Advertising

Traditionally Councils publicly advertise their desire to contract out specific services in a state-wide and/or national daily paper as well as targeting specific or known potential providers. Potential bidders/providers are encouraged to review the specifications or summary and either lodge an expression of interest to tendering for the service or submit a tender for the services.

Where advertisements for Expression of Interest are placed this is often done to gauge the level of interest in the service or if there are a significant number of potential bidders to limit the number of final applicants. Additionally where expressions of interest are sought potential applicants are only provided with a summary of the services provided and asked to demonstrate their suitability for further consideration.

Subject to the Expression of Interest process potential bidders would be provided with a full copy of the Contract Specification.

### Preparing to bid

Being an internal provider has its advantages and disadvantages when considering whether to lodge and preparing an in-house bid and these are summarised below:

#### Advantages:

You are already experienced at doing the job and aware of the geography and demography of the municipality;

- You know the internal administrative and political workings of the organisation;
- You are aware of what is and what should be done;
- The organisation and people within it have a personal connection with you.

#### Disadvantages:

- You are emotionally attached to the process (after all it is your, or part of, your job)
- You may tender for what you think they want rather than what they have asked for;
- You cannot lie about your abilities, success or weaknesses (remember they know you).

Any bid prepared must be done on a business case which clearly demonstrates you are the best provider for the service; whilst emotional aspects are advantageous they are only icing on the cake: the proof of your ability is in the cake itself. As a starting point you should try and find out about your possible competitors including their operational procedures/methodology, organisational structure, pay rates overtime allowances, expertise, staff training, quality assurance systems.

Anything you can legally and reasonably find out about your competitors will be an advantage.

One of the biggest barriers for in-house tenders is to look outside the square and review your own operating procedures, documentation, conditions of employment eg spread of hours, overtime allowances, callout availability and methodology. The secret to this is to look at your operation and consider it as though it was your own business and in some cases it may be of benefit to seek the assistance of a professional business review analyst who can help you with such matters together with the preparation of procedural and quality systems. One very important aspect of your service review is to consider how efficient you are as a team at providing certain elements of the service, eg pound services, in comparison to other providers.

In the Melbourne metropolitan region only 5 from a possible 31 councils operate their own pound facilities because on an economy of scale they could not compete against the larger animal welfare shelters. Therefore many of the councils and/or their in-house teams subcontract pound facilities entirely, or alternatively the external provider operates existing Council facilities. Unlike the contracting out of Council animal control service generally, this is a practice which has continued today.

When submitting a tender it is important to only bid on what is being asked in the specification. If, for any reason you are unsure of what is being requested, seek clarification in writing or alternatively if you think they have forgotten something or should be doing something by all means suggest it as a service improvement at an additional cost for their consideration.

If the service being contracted involves the livelihood of more than one employee, then they too must be included in the bid development. From a consistency and credibility perspective there is a need to include all employees in the process because there is no point in submitting a bid for service delivery only to have it undermined because other people were not consulted or agreeable to the content.

### Bid documentation

The actual documenting and presentation of your bid is as important as the development of the specifications. The bid documentation is similar to a job application: it is your means of being further considered for ongoing employment. Like a Curriculum Vitae it should provide a brief summary of your skills and expertise against the selection criteria linking it to more detailed information which supports your claims. As a minimum your bid should include:

- An informative and concise summary of bid, costs and supporting documentation which highlight how and why you are the best at supplying the services based on the specifications.
- Detailed background of the teams experience/success in providing similar services eg combined year's with council, availability, method of operation, organisational structure, facilities location and any assumptions you have made about providing the service based on the specification or lack of information.
- Any improvements/enhancements to the services you are able to provide in addition to what is being requested.
- Financial costing model detailing staff operational costs, administrative support, overtime allowances, equipment and maintenance expenses, etc.
- Roster system to demonstrate that service delivery hours are able to be achieved within the budgeted resource.
- Summarise and provide copies of any promotional or education initiatives the team has undertaken, and its success.

- A list of equipment and resources available to ensure the delivery of the services.
- A details submission on legislative compliance.
- Provide copies of documented procedural manuals, occupation health and safety plan or quality assurance systems to highlight consistent delivery of the services.
- A brief curriculum vitae of all staff who will be performing the duties including their training/qualifications, experience relevant to their duties.
- Any reference from local organisations, dignitaries or members of the community.

### Conclusion

Whilst the contracting out of Animal Services is not common in Australia, New South Wales and Victoria are the only two States which place restrictions on the contracting out of enforcement provisions. Despite earlier widespread contracting out of council services in Victoria during the Compulsory Competitive Tendering Era in the mid 1990s very few Victorian Councils have continued the practice. Today many councils have reinstated in house teams to patrol and police animal control legislation and utilise contract labour with extension service and the provision of pound facilities and services.

As demonstrated above competitive tending is a costly and involved process, but undertaken correctly can result in significant benefits to Council in certain circumstances. Whilst such a process is stressful and emotive in order to ensure the lodgement of a successful tender, staff should be actively involved in the process, particularly the development of the Contract Specifications which should be inclusive of the entire service and not fragmented. Additional professional help should be sought to assist the in house team with development of their bid and supporting documentation.

If existing employees embrace the process despite its obvious emotional barriers of having to apply for their own jobs and take it as an opportunity to review the services they provide, they are more likely to be successful in winning the contract.

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Russell McMurray is currently the Manager, Policy and Education with the Bureau of Animal Welfare and is primarily responsible for the administration and management of the Domestic (Feral and Nuisance) Animals Act 1994 and the Impounding of Livestock Act 1994. Prior to commencing with State Government he had been in Local Government for 14 years, commencing his career as an Officer on the road and rising to the position of Manager with Bayside City Council. During his career with Bayside City Council his services, which included both Environmental Health and Regulatory Services, were actively market tested and won by in-house staff during the Compulsory Competitive Tendering era in Victoria. They also won the 2000 UAM national award for Urban Animal Management Team of the Year for their strategies and dedication in promoting responsible pet ownership.