


City Council

Type of Decision									
Meeting Date	June 24, 2014			Report Date	June 20, 2014				
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
Animal Control Contract

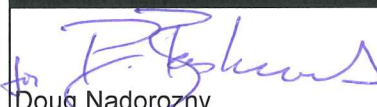
Budget Impact/Policy Implication	Recommendation
<p>X This report has been reviewed by the Finance Division and the funding source has been identified.</p>	<p>THAT the Acting General Manager of Growth and Development be permitted to extend the agreement with Wenrick Kennels for animal control services for a period of 120 days.</p>
<p>Background Attached</p>	<p>Recommendation Continued</p>

Recommended by the Department





Paul Baskcomb
Acting Manager of Growth & Development

Recommended by the C.A.O.



Doug Nadorozny
Chief Administrative Officer

Report Prepared By	Division Review
 Darlene Barker Manager of Compliance & Enforcement	 Guido A. Mazza, P. Eng. Director of Building Services/Chief Building Official

Recommendation

That the Acting General Manager of Growth and Development be permitted to extend the agreement with Wenrick Kennels for animal control services for a period of 120 days.

Purpose

The purpose of this report is to provide Council with the background information, current status and recommended next steps regarding the procurement process for the provision of animal control and pound services for the City of Greater Sudbury.

Background

The City of Greater Sudbury currently contracts a private firm to provide animal control and pound services. The current animal control contract was awarded in 2009, and provides animal control service to the City through enforcement of the Animal Control By-law, 2002-285 as amended and the Dog Owner's Liability Act, along with operating pound facilities on behalf of the City according to provincial legislation. The current contract, which expired on March 31, 2014, has been extended to July 1, 2014. The extension was negotiated to allow time for the results of the public consultation process (detailed later in the report) to be reflected in the Request for Proposals (RFP) for the new contract terms of reference for Animal Control and Pounds services.

In order to improve these contracted animal control services for City residents, an extensive consultation process with the public, provincial agencies and other stakeholders was undertaken in December of 2013. This public consultation led to the identification of a number of potential improvements to animal control and pound services that would address the concerns of the community and key stakeholders. These proposed improvements included, amongst other things,

the use of veterinary services for euthanasia and assessment, longer operating hours and redemption time period, along with enhancements to the adoption process.

On February 11, 2014, Council received a report from staff regarding the public consultation process and the pound and animal control services contract review. The report provided information on the status of the City's current animal services contract, a summary of the public survey results, the format and content of the procurement process for the subsequent contract and recommended changes to the animal control by-law. It was recommended that the RFP for animal control and pound services include the proposed improvements from the public consultation process as optional services with separate pricing over the base price so that Council could consider the cost implications of the enhanced services. The RFP also include some administrative changes to the current scope of base services.

The February 11th report also included a number of proposed changes to the Animal Control By-law, including a review of fees and fines for cost recovery. These proposed changes and their implications will be presented to Council as part of a separate report at a later date.

Procurement Process for Animal Control and Pound Services

The current Animal Control and Pound Services Contract is held by Wenrick Kennels, operating as Rainbow District Animal Control and Shelter Services (RDAC). As mentioned, the contract expired on March 31, 2014 and was extended until July 1, 2014. The current budgeted amount in 2014 for animal control and pound services is \$422,892 per year.

A Request for Proposals (RFP) for Animal Control and Pound Services was released on March 18, 2014 with a closing date of April 15, 2014. The RFP contained a base scope of services that represented the existing level of service provision along with some administrative improvements over the current contract, which stemmed from the results of the public consultation. These improvements were presented to Council in the February 11th report and served to enhance accountability and transparency of the service with relatively low impact on cost. The improvements included:

-
- Increased reporting requirements by the contractor;
 - Identification of vehicles and uniforms as being contracted to the City of Greater Sudbury;
 - Enforcement procedures, operations and employee safety; Enforcement of other City By-laws that regulate animals (Parks By-law & Off Leash By-law); and,
 - Providing services through City 3-1-1.

As mentioned, these improvements were considered to be minor and administrative in nature with a low impact to the contractor and not expected to cost significantly more. The term of the contracted service is a standard 3 year contract with the option to renew for years 4 and 5.

As outlined in the February 11th report, the RFP also included price options to provide the enhancements that were identified as part of the public consultation process. These enhancements were expected to have an impact on the cost of providing animal control and pound services and as such they were to be identified separately from the base price so that Council could consider the implications of providing these enhanced levels of service. The optional enhancements to the scope of services included:

- Use of a veterinary service for euthanasia and animal assessment;
- Increase in operating hours of the pound;
- Increase in the current 3 day redemption period, to allow additional time for an owner to redeem his dog or cat; and
- Free animal adoptions, where the contract would cover the cost of adoptions.

The Animal Control and Pound Services RFP closed on April 15th, with only RDAC (the current provider) submitting a proposal. The price submitted for the base services, which essentially amounts to the same services currently being provided to the City by RDAC, was significantly higher than the current contract value. As mentioned above, the current budgeted amount for animal control and pound services in 2014 is \$422,892.

In addition to the base price, RDAC also submitted prices for the contract enhancements discussed above. As priced in the RFP, these options would have substantially increased cost to our current base budget, depending on which combination of enhancements was selected.

As per the Purchasing By-law, staff posed a number of clarification questions to RDAC in order to determine the reason for the higher costs given that the base scope of services, aside from the aforementioned administrative changes is the same as the current contract. Staff did not receive, in their opinion, adequate information showing the justification for the increase.

Staff subsequently held comprehensive one-on-one meetings with RDAC to work toward a successful contract. These negotiations led to staff providing an amended Terms of Reference to try and address some of RDAC's concerns and requesting that RDAC provide a Best and Final Offer for the provision of animal control and pound Services. RDAC provided a best and final offer which was contingent upon further modifications to the City's Terms of Reference, which staff could not agree with. The best and final offer price was higher than the original RFP bid price.

Staff are of the opinion that the administrative changes to the current level of service do not place a significant burden on the service provider. As such, such a large increase to provide the base level of service could not be recommended. At this point staff feels that all options available under the Purchasing By-law to negotiate with RDAC have been exhausted, resulting in a failed procurement process for animal control and pound services.

Next Steps

As mentioned the current contract to provide animal control and pound services to the City of Greater Sudbury expires July 1st.

In light of this situation staff have explored a number of options with the Ontario Society For Prevention of Cruelty to Animals (OSPCA), Ontario Ministry of Agriculture, Food and Rural Affairs (OMFRA), and the local Veterinarian Association including assuming service in-house. The preferred option would involve separating the provision of pound services and animal control services and issuing separate RFPs for each of these services. It is felt that by separating these services it would attract additional interested bidders to provide these services at a competitive cost.

Further, as part of staff's work over the past two months with industry professionals and stakeholders it is evident that in order to solicit a wider interest in contracting this service for the City, the next RFP may need to look at options such as an extended contract term and revenue sharing models.

As noted we approached the current provider and he agreed to an extension of the current contract for 120 days.

Executive Summary

In December of 2013, the City held comprehensive consultations with the public, government agencies and other stakeholders regarding animal control services. The findings of the consultations included some minor administrative changes to how services are provided along with more comprehensive enhancements to current programs and practices. Staff presented the findings to Council in February and received direction to include the minor changes to the basic services provided and ask that other enhancements be included as separate pricing options for Council's consideration. In order to include the recommendations from the public consultation in the animal control and pound service RFP, the current contract was extended by three months to July 1st.

The animal control and pound service RFP was opened in April with only RDAC (the current service provider) submitting a proposal. The cost to provide the current base level of service was significantly higher than the current budgeted value. Staff met with RDAC to negotiate, revised the terms of reference as a result of the negotiations and requested that RDAC submit a best and final offer to provide the services. RDAC's best and final offer remained significantly higher than currently budgeted. After exhausting the options available with the current RFP process, staff feel that the best option is to issue new RFPs that separate veterinarian, pound and animal control services in order obtain a more competitive pricing and interest for the smaller service packages. This may also include alternate options regarding extended contract terms and revenue sharing models.

Since the contract expires July 1st, staff have negotiated a 120 day extension by the current service provider to allow for a new procurement process to occur.

Since the current procurement process has been unsuccessful, staff will initiate a new procurement process. Council approval is required to authorize the extension of the current contract for animal control services for 120 days.