



## AGENDA MEMORANDUM

Action Item for the City Council Meeting June 9, 2020

**DATE:** May 19, 2020

**TO:** Peter Zaroni, City Manager

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### Veterinary Medicines and Supplies

#### **CAPTION:**

Motion authorizing supply agreements with four vendors for a two-year period with each vendor, with an additional one-year option period to provide veterinary medicines and supplies with the following vendors: Miller Veterinary Supply in an amount not to exceed \$99,828.45 for surgery supplies; Butler Animal Health Holding Company, LLC in an amount not to exceed \$33,954.25 for anesthetics; Elanco US, Inc. in an amount not to exceed \$122,921.00 for vaccinations; and, Midwest Veterinary Supply, Inc. in an amount not to exceed \$112,923.92 for medical supplies, with FY 2020 funding in an amount of \$46,203.45 available in the General Fund.

#### **SUMMARY:**

This motion authorizes four, two-year supply agreements each with an additional optional one-year period for the purchase of veterinary medicines and supplies for Corpus Christi Animal Care Services (ACS) awarded for Groups 1, 2, 3 and 4. If the option periods are exercised, the total contract amount for each contractor follows: Miller Veterinary Supply for group 1-surgery supplies will be an amount not to exceed \$149,742.68; Butler Animal Health Holding Company, LLC, dba Covetrus North America in an amount not to exceed \$50,931.38 for group 2-anesthetics; Elanco US, Inc. in an amount not to exceed \$184,381.50 for group 3-vaccinations; and, Midwest Veterinary Supply, Inc. in an amount not to exceed \$169,385.88 for group 4-medical supplies. Veterinary medicines and supplies are used to vaccinate, spay, neuter and care for animals in the ACS adoption program, as well as the services provided to the citizens of Corpus Christi.

## **BACKGROUND AND FINDINGS:**

Medications and clinical supplies are imperative to ACS ability to function. Due to the large pet overpopulation problem in our city we must focus on intaking animals that are stray or of public health importance along with animals that are in crisis. These animals are primarily injured, sick, cruelly treated or behavioral cases in need of care. These animals are supplied with medications that help control infectious and zoonotic diseases and prevent the spread to our citizens and our staff. Injured and sick animals must be provided with both antibiotics and pain medications. All animals are vaccinated according to Guidelines of Standards of Care. All animals are also given flea and tick prevention as well as medication to remove internal parasites that can be transmitted to humans. Spay and neuter is a vital part of our shelter and drugs used for anesthesia, sedation, pain and antibiotics must be utilized.

The previous two-year supply agreement with Patterson Veterinary Supply, Inc has expired. Overall, these four new contracts have approximately a \$6,150.00 savings when compared to the contract with Patterson Veterinary Supply, Inc. Animal Care Services has been requesting quotes for veterinary medicines and supplies as needed, while this procurement process took place. Miller Veterinary Supply is providing surgery supplies; Butler Animal Health Holding Company, LLC is providing anesthetics; Elanco US, Inc. is providing vaccine supplies; and, Midwest Veterinary Supply, Inc. is providing medical supplies respectively as indicated in the table below.

| Group                    | Supplier                                  | Two-Year Supply Agreement |
|--------------------------|---|---------------------------|
| Group 1-Surgery Supplies | Miller Veterinary Supply                  | 99,828.45                 |
| Group 2-Anesthetics      | Butler Animal Health Holding Company, LLC | 33,954.25                 |
| Group 3-Vaccinations     | Elanco US Inc.                            | 122,921.00                |
| Group 4-Medical Supplies | Midwest Veterinary Supply, Inc.           | 112,923.92                |
|                          | Grand Total                               | 369,627.62                |

The Contracts and Procurement Department conducted a competitive request for bid process to obtain bids for new contracts. The bid was set up for bidders to bid by group. The City received eight bids for the various groups, and is recommending the awards to Miller Veterinary Supply, Butler Animal Health Holding Company, LLC, dba: Covetrus North America Elanco US, Inc. and Midwest Veterinary Supply, Inc. It should also be noted that some vendors did not bid all the items in a group and were therefore not considered for that group and some bidders changed the quantities or descriptions of the items needed which was not allowed and those items were removed from the bids and will be rebid to maintain a level playing field.

**ALTERNATIVES:**

An alternative to accepting this bid would be to require Animal Care Services to purchase veterinary medicines and supplies on an as needed basis, which would not be as productive as having a supply agreement in place. In addition, a long-term agreement allows for a better economy of scale.

**FISCAL IMPACT:**

The fiscal impact for Animal Care Services in FY 2020 is \$46,203.45 for these four, two-year supply agreements for the purchase of veterinary medicines and supplies. The FY 2020 fiscal impact breakdown follows: Miller Veterinary Supply for group 1-surgery is \$12,478.56; Butler Animal Health Holding Company, LLC, dba Covetrus North America for group 2-anesthetics is \$4,244.28; Elanco US, Inc. for group 3-vaccinations is \$15,365.12; and, Midwest Veterinary Supply, Inc. for group 4-medical supplies is \$14,115.49. The remaining cost of \$323,424.17, with a potential cost of \$508,237.98 if option year is exercised will be budgeted in future years through the annual budget process. These four new contracts have approximately a \$6,150.00 savings when compared to the contract with Patterson Veterinary Supply, Inc, who was the previous contractor.

**FUNDING DETAIL:**

|                        |            |                             |
|------------------------|------------|-----------------------------|
| Fund:                  | 1020       | General Fund                |
| Organization/Activity: | 12680      | Animal Care                 |
| Mission Element:       | 083        | Care for In-Custody Animals |
| Project # (CIP Only):  | <b>N/A</b> |                             |
| Account:               | 520020     | Clinical Supplies           |

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing four, two-year agreements with one additional one-year period to Miller Veterinary Supply for group 1-surgery supplies, Butler Animal Health Holding Company, LLC, dba Covetous North America for group 2-anesthetics, Elanco US, Inc. for group 3-vaccinations and Midwest Veterinary Supply, Inc. for group 4-medical supplies as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreements