



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Ann Dunn  
Interim Director, Oakland  
Animal Services

**SUBJECT:** Animal Services Microchip Contract

**DATE:** November 25, 2024

City Administrator Approval

  
Jestin Johnson (Dec 6, 2024 05:42 PST)

Date: Dec 6, 2024

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To 1) Waive The Advertising, Bidding, And Request For Proposals/Qualifications Process; 2) Waive The Local And Small Local Business Enterprise Requirements; And, 3) Enter Into A Contract With PetHealth Services, Inc. For the Period January 1, 2025 Through December 31, 2029 For An Amount Not To Exceed Two Hundred Fifty Thousand Dollars And Zero Cents (\$250,000.00) For The Provision of PetHealth Microchips to Oakland Animal Services.**

## **EXECUTIVE SUMMARY**

Adoption of the proposed resolution will authorize the City of Oakland (City) to enter into a supply contract with PetHealth Services, Inc. (PetHealth) for an amount not to exceed \$250,000.00 from January 1, 2025, through December 31, 2029, to provide microchips to Oakland Animal Services (OAS) at a fixed price annually and access to the Pet Point Database at no cost.

The current contract with PetHealth was authorized by the City Administrator through a Waiver of the Competitive Process, on November 7, 2023. The contract runs from December 1, 2023, to December 31, 2024, in an amount not to exceed \$40,000.

## **BACKGROUND / LEGISLATIVE HISTORY**

### ***Request for Competitive Process Waiver:***

OAS provides microchips for all dogs and cats who enter the shelter without them, as required by State law California Food and Agriculture Code, Sections 31108.3 and 31752.1. If a stray dog or cat with a microchip is found, that chip can make it possible to contact the animal's guardian. OAS has utilized PetHealth microchips and its related PetPoint database (PetPoint) for over fifteen years.

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The original contract for PetHealth was signed in 2007. Since that time, OAS has utilized PetPoint for all of its records related to animals, people, and Animal Control cases. Utilization of PetPoint is at no cost to OAS, provided OAS purchases PetHealth microchips. Otherwise, OAS would be charged \$9,000 annually.

When the City issued the most recent Request for Quotations (RFQ) for microchips (RFQ #270066 Microchips for Animal Services) on December 12, 2022, proposals were received from four non-local vendors who offered chips at a lower cost than PetHealth. However, when the cost of utilization of the PetPoint database is considered, purchasing PetHealth microchips is the most cost-effective option, as outlined in the table below.

Vendor information	American Kennel Club	DataMars Inc.	Michelson Found Animals	PetHealth Services, Inc
Bid Total	\$25,615.66	\$26,533.16	\$31,608.00	\$32,924.00
Cost of PetPoint	\$9,000.00	\$9,000.00	\$9,000.00	\$0.00
Total	\$34,615.66	\$35,533.16	\$40,608.00	\$32,924.00

As such, the contract was awarded to PetHealth. On December 22, 2022, Contract Purchase Agreement #2023006740 (CPA) was created for PetHealth, for the period December 1, 2022, through November 30, 2023. On November 7, 2023, the City Administrator approved a Competitive Process Waiver to allow OAS to enter into Contract No. 2024004088 with PetHealth, from December 1, 2023, to December 31, 2024, for an amount not to exceed \$40,000.00. At that same time, OAS had planned to purchase a different database during the waiver period. Had that happened, there would be no need for a future Competitive Process Waiver. Due to budget reductions, OAS did not, and will not purchase a different database. As a result, purchasing PetHealth microchips will continue to be the most cost-effective option for the City for the foreseeable future.

***Request for Local and Small Local Business Enterprise Waiver:***

When the City issued the most December 2022 RFQ for microchips, proposals were only received from four non-local vendors. Because there are no local vendors, the proposed resolution includes a request for a Local and Small Local Business Enterprise (L/SLBE) waiver to allow the City Administrator to enter into the most cost-effective contract for microchips.

**ANALYSIS AND POLICY ALTERNATIVES**

The proposed resolution would align with the Citywide priority of a responsive, trustworthy government by finding the most cost-effective option for purchasing State required microchips.

OAS has utilized PetHealth microchips and the associated PetPoint database for over fifteen years. Given that OAS is unlikely to stop utilizing PetPoint in the foreseeable future, continuing to purchase PetHealth microchips at a higher cost than other vendors, while maintaining free access to PetPoint is the most cost-effective option.

If the City doesn't enter into a contract with PetHealth, and instead contracts with another vendor, OAS will either lose access to its database through PetPoint, or will need to pay an additional \$9,000 annually to maintain access.

### **FISCAL IMPACT**

Funding for this contract is budgeted within Fund 1010, Organization 62111 – Animal Services, Account 52913 – Supplies: Technical and Scientific. No additional budgetary adjustment is necessary. OAS may only access this contract subject to the availability of Council-authorized appropriations.

### **PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures.

### **COORDINATION**

Development of this report was coordinated with internal OAS staff, the Budget Bureau and Controller's Bureau in the Department of Finance, Department of Workforce and Employment Standards, City Attorney's Office, and City Administrator's Office.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** There are no economic opportunities associated with this report.

***Environmental:*** There are no environmental opportunities associated with this report.

***Race & Equity:*** There are no race & equity opportunities associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To 1) Waive The Advertising, Bidding, And Request For Proposals/Qualifications Process; 2) Waive The Local And Small Local Business Enterprise Requirements; And, 3) Enter Into A Contract With PetHealth Services, Inc. For The Period January 1, 2025 Through December 31, 2029 For An Amount Not To Exceed Two Hundred Fifty Thousand Dollars And Zero Cents (\$250,000.00) For The Provision of PetHealth Microchips to Oakland Animal Services.

For questions regarding this report, please contact Ann Dunn, Director, at (510) 535-5604.

Respectfully submitted,

**Ann Dunn**

Digitally signed by Ann Dunn  
Date: 2024.12.05 11:17:14 -08'00'

ANN DUNN

Interim Director, Oakland Animal Services

Reviewed by: Betsy Lake  
Assistant City Administrator