



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Ann Dunn
Director, Oakland Animal
Services

SUBJECT: Veterinary Supply Contract with
Covetrus

DATE: February 7, 2024

City Administrator Approval


Jestin Johnson (Feb 12, 2024 17:34 PST)

Date: Feb 12, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Approving An Increase To The Existing Oakland Animal Services Cooperative Purchase Agreement With Covetrus North America/Butler Animal Health Supply LLC, By An Amount Not To Exceed Sixty Thousand Six Hundred Thirty-Eight Dollars And Fifty Cents (\$60,638.50), For A Total Contract Amount Of Seven Hundred Ninety-Nine Thousand Two Hundred Ninety-Three Dollars And Eight Cents (\$799,293.08).

EXECUTIVE SUMMARY

The proposed resolution will authorize the City Administrator to increase the amount of the July 1, 2018 – September 30, 2024 contract with Covetrus North America/Butler Animal Health Supply LLC (Covetrus) for veterinary supplies for shelter animals in an amount not to exceed \$60,638.50.

The increase to the Covetrus contract will allow Oakland Animal Services (OAS) to pay outstanding invoices in the amount of \$60,638.50. Following this requested increase, OAS will no longer utilize this vendor.

REASON FOR URGENCY

On January 11, 2024, Covetrus notified the City of Oakland (City) that it intends to “exercise any and all means available to Covetrus in collecting this balance [indicating that] a judgement against [the City] may include court costs, interest and attorney fees, as well as the amount of the claim.” An immediate action is required to avoid a substantial adverse impact that may occur if action was deferred to a subsequent special or regular meeting.

City Council
February 20, 2024

BACKGROUND / LEGISLATIVE HISTORY

Covetrus is under Contract Purchase Agreement #2019002146 for the provision of veterinary supplies for shelter animals for the period July 1, 2018 to September 30, 2024. The City utilized a Cooperative Purchase Agreement based on County of Kern Contract Agreement #1377, Purchase Order #1984810, as authorized by the City Municipal Code Section 2.04.080 Cooperative Purchasing Agreement. The original term of the contract was for an amount not to exceed \$538,654.58. On March 20, 2023, the contract amount was increased by \$200,000.00 under purchasing's normal approval process for cooperative contracts/amendments. This occurred prior to City Council's policy, adopted in July of 2023, that now requires approval by Council for cooperative contracts/amendments which exceed \$250,000.

OAS was mistaken in the understanding of the funding remaining on the contract and purchased supplies in the amount of \$60,638.50 for which invoices are outstanding. The City has contracted with a different vendor for veterinary supplies and will no longer be making purchases under Contract Purchase Agreement #2019002146.

ANALYSIS AND POLICY ALTERNATIVES

The proposed resolution would align with the Citywide priorities of a holistic community safety and a responsive, trustworthy government.

On January 11, 2024, Covetrus notified the City that of its intention to "exercise any and all means available to Covetrus in collecting this balance [indicating that] a judgement against [the City] may include court costs, interest and attorney fees, as well as the amount of the claim."

The proposed resolution would authorize the City Administrator to increase the Covetrus contract amount in an amount not to exceed \$60,638.50 for a total contract amount of \$799,293.08 to allow for City to pay and resolve all outstanding invoices with Covetrus.

FISCAL IMPACT

The increase to the funding available for the contract would be for an amount not to exceed \$60,638.50 to provide sufficient funding to pay outstanding invoices and will make the contract amount for the term July 2018 – September 30, 2024 a total not to exceed \$799,293.08.

Funding for this contract is in the Fiscal Year 2023-2024 budget within Fund 1010, Organization 62111 – Animal Services, Account 52913 – Supplies Technical and Scientific. No additional budgetary adjustment is necessary.

PUBLIC OUTREACH / INTEREST

There are no public outreach opportunities associated with this report.

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic, environmental or social equity opportunities associated with this report.

Environmental: There are no economic, environmental or social equity opportunities associated with this report.

Race & Equity: OAS largely serves people from Oakland who lack the financial resources to provide veterinary care for their animals and live in communities where there are no veterinary clinics or other support for companion animals.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Approving An Increase To The Existing Oakland Animal Services Cooperative Purchase Agreement With Covetrus North America/Butler Animal Health Supply LLC, By An Amount Not To Exceed Sixty Thousand Six Hundred Thirty-Eight Dollars And Fifty Cents (\$60,638.50), For A Total Contract Amount Of Seven Hundred Ninety-Nine Thousand Two Hundred Ninety-Three Dollars And Eight Cents (\$799,293.08).

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

Respectfully submitted,

Ann Dunn Digitally signed by Ann Dunn
Date: 2024.02.12 12:27:58
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ANN DUNN
Director, Oakland Animal Services

Reviewed by: Betsy Lake
Assistant City Administrator

Prepared by: Ann Dunn, Director
Oakland Animal Services





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Final Audit Report

2024-02-12

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