

**BOARD OF
ANIMAL SERVICES
COMMISSIONERS**

VACANT
PRESIDENT

KATHLEEN RIORDAN
VICE PRESIDENT

TARIQ A. KHERO

ARCHIE J. QUINCEY, JR.

IRENE G. PONCE

City of Los Angeles
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF
ANIMAL SERVICES
221 North Figueroa Street
5th Floor
Los Angeles, CA 90012
(888) 452-7381
FAX (213) 482-9511

EDWARD A. BOKS
General Manager

Report to the Board of Animal Services Commissioners

Edward A. Boks, General Manager

COMMISSION MEETING DATE: January 12, 2009 **PREPARED BY:** Anthony Sanchez

REPORT DATE: January 7, 2009 **TITLE:** Management Analyst II

SUBJECT: **Three-Year Agreement to Provide an Animal Electronic Identification System**

BOARD ACTION RECOMMENDED:

That the Board:

1. Award a three-year Agreement, with one three-year renewal option, substantially in the form as on file, to AVID Identification Systems, Inc., to provide an Animal Electronic Identification System;
 2. Find that the proposal received from Schering-Plough Home Again does not meet the Department's needs to provide microchip readers that are safe for staff to use in our shelter environment, as described in the body of this report, and therefore reject that proposal as non-responsive;
 3. Direct Staff to transmit the proposed Agreement concurrently to the Office of the Mayor, and the Office of the City Attorney for approval as to form, and subsequently to the City Council, and authorize the General Manager of the Department of Animal Services to execute the subject Agreement upon receipt of necessary approvals.
-

SUMMARY:

On May 12, 2008, the Board directed Staff to release a Request for Proposals (RFP) for an animal electronic identification system, which includes pet microchips, microchip readers, a fully-staffed pet registry, and related support. Staff released the RFP on June 20, 2008, and on July 22, 2008, received proposals from current vendor AVID Identification Systems, Inc., and Schering-Plough HomeAgain. Staff's initial review showed that both companies submitted all

documents and information requested in the RFP, including all contract compliance documents, information about their company's background, proposed pricing and services, and information about their registration process.

Also as requested, both proposers provided samples of their products, including microchips (microchips are provided in the syringes used to implant the microchips) and microchip readers, so that Department staff could test their products and determine whether they met the Department's needs. The Scope of Services in the draft agreement was included as an attachment to the RFP, so that both proposers were fully informed of the Department's needs.

To fully evaluate the proposals, an evaluation panel was formed to review the proposals and interview the proposers. The panel considered all evaluation criteria listed in the RFP. In addition, Department veterinary staff tested the microchips, and shelter staff tested the readers. Veterinary staff found that, although both AVID and HomeAgain microchips met the Department's needs, HomeAgain microchips were easier to implant. Readers were tested at North Central and East Valley by shelter staff who routinely use readers to scan impounded animals. In the Scope of Services in the draft agreement (Section V.A.6), the Department indicated that staff needs a variety of readers, such as heavy-duty readers, mini-readers, pole-style readers, and those designed for dangerous and hard-to-handle animals. Pole readers are essential in shelter operations as they allow staff to scan fractious animals while the animal is inside a cage, protecting staff from injury.

AVID's readers include their PowerTracker reader (a large reader with a grip separate from the read surface, protecting the user's fingers from animal bites or scratches), their Mini Reader (approximately seven inches long), and their Wand Reader (their "pole" reader), which has a read surface approximately twelve inches from the user's hand, and which can be inserted into a cage. HomeAgain provided their Universal Worldscan reader (approximately seven inches long) and their larger Universal Worldscan EX (approximately 11½ inches long). HomeAgain's readers are held by gripping the lower part of the readers, leaving the user's fingers exposed on the side closest to the animal being scanned. Thus during testing of these readers, staff found that the design of HomeAgain's readers will not protect the user's hands from bites or scratches. Also, HomeAgain does not provide a pole reader which can be inserted into a cage to scan a fractious animal. Based on staff's test, HomeAgain's readers do not meet the Department's need to have the ability of scanning fractious or dangerous animals.

The evaluation panel considered these reader tests and noted that HomeAgain's readers did not appear safe to use around many animals found in our shelters, based on staff's test. The panel thus were unable to find HomeAgain fully responsive to the RFP. Because HomeAgain does not provide all readers required by the Department, they can not be found fully responsive to the RFP as the evaluation panel indicated. As AVID is the only responsive proposer, the remaining analysis of the evaluation will focus only on AVID's products and their overall proposal.

Staff found that AVID provides a variety of readers safe to use in our shelters, as required by the RFP. AVID has a new Mini-Reader which they demonstrated during the interview as a true "universal" reader, which detected microchips from several different manufacturers. Microchips used for pet identification operate at various frequencies; 125Khz is by far the most common in the United States, although there are some pets implanted with a microchip that operates on the European-standard 134Khz frequency. AVID demonstrated that their new Mini-Reader is able to read these microchips operating at various frequencies.

AVID will provide readers at no charge to the Department, as well as provide free repair and/or replacement as needed. As required by the RFP, they will provide any number of readers requested by the Department (including a small number of readers for the City's Bureau of Sanitation.)

AVID's price of pre-registered microchips is as follows (prices include registration and 24-hour access to their registry):

First 10,000 units	\$9.60 each
Second 10,000 units	\$9.10 each
Third 10,000 units	\$8.60 each
Fourth 10,000 units (and more)	\$8.10 each

The prices apply to each contract year separately. Each year the Department purchases approximately 20,000 microchips. Thus the annual cost to the Department to purchase AVID's pre-registered microchips would be approximately

$(\$9.60 \times 10,000) + (\$9.10 \times 10,000)$

Or $\$96,000 + \$91,000 = \$187,000$ each year.

For comparison, prices under the previous contract with AVID are \$9.25 for the first 10,000 pre-registered microchips, \$9.00 for the second 10,000 units, \$8.50 for the third 10,000, and \$8.00 for the fourth 10,000. The cost of 20,000 pre-registered microchips under the previous contract would be \$182,500.

AVID has a long history of providing this type of animal identification system. The company was established in 1985 and reunites approximately 300,000 animals each year. According to AVID, approximately 14,000,000 animals have been implanted with their microchips in the United States. Their pet registry is available 24 hours a day, 7 days a week, every day of the year. Based on this evaluation, staff's analysis, and testing, AVID is the only company fully responsive to the RFP and therefore staff recommends award of an agreement to them.

FISCAL IMPACT:

Funding is provided by fees charged to implant microchips (\$15 for an adopted animal, \$25 to a member of the public who brings a pet for microchipping; waived for New Hope rescue groups and for occasional special events or promotions); excess funds after purchasing annual supplies are deposited into the General Fund to offset costs of implantation, paperwork processing, and calling the registry to reunite lost pets. In Fiscal Year 2007-08, the Department spent \$183,710 on purchasing microchips (an amount similar to prior years), and collected \$298,925 from implanting microchips into pets. Thus, each year this agreement's proceeds cover the cost of purchasing microchips as well as generating funds to cover costs of using the identification system and administering the agreement.

Approved:

Edward A. Boks, General Manager

BOARD ACTION:

_____ Passed

Disapproved _____

_____ Passed with noted modifications

Continued _____

_____ Tabled

New Date _____