



## Legislation Text

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**File #:** 23-0247, **Version:** 1

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Recommendation to adopt resolution authorizing City Manager or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with McKesson Medical-Surgical Government Solutions LLC, of Henrico, VA, for as-needed medical-surgical supplies and pharmaceuticals, on the same terms and conditions afforded to Sourcewell, a state of Minnesota local government unit and service cooperative, in a total annual amount not to exceed \$275,000, until the Sourcewell contract expires on April 30, 2026, with the option to renew for an additional one year period, at the discretion of the City Manager. (Citywide)

City Council approval is requested to enter into a contract with McKesson Medical-Surgical Government Solutions, LLC (McKesson), to furnish and deliver as-needed medical-surgical supplies and pharmaceuticals to the Health and Human Services Department (Health Department) and the Human Resources Department's Occupational Health clinic. Both Departments use medical supplies and pharmaceuticals to support clinic needs.

The Health Department researched procurement options for medical supplies and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed several options and determined that the contract between Sourcewell with McKesson provided the best value to the City.

McKesson was selected based on their competitive pricing, service level, and breadth of medical supplies offerings. McKesson was selected through a nationwide competitive solicitation process with 26 proposals submitted. McKesson was one of four vendors selected.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis, when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Taylor M. Anderson on February 21, 2023, Purchasing Agent Michelle Wilson on February 23, 2023, and by Budget Analysis Officer Greg Sorensen on March 3, 2023.

City Council action to adopt a Resolution and award a contract concurrently is requested on March 21, 2023, to ensure the contract is in place expeditiously.

The total annual amount of the contract will not exceed \$275,000. Sufficient appropriation of \$200,000 is budgeted in the Health Fund Group in the Health and Human Services Department, offset by grant revenue. In addition, an appropriation of \$75,000 is budgeted in the Insurance Fund Group in the Human Resources Department, offset with funds available. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

KELLY COLOPY  
DIRECTOR  
HEALTH AND HUMAN SERVICES

APPROVED:

THOMAS B. MODICA  
CITY MANAGER