



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley

SUBJECT: HILL'S SCIENCE FOOD
AGREEMENT

DATE: 04-14-04

Approved

Date

COUNCIL DISTRICT: Citywide
SNI AREA: N/A

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute a two-year agreement with Hill's Pet Food Company to receive animal food at the cost of shipping in exchange for exclusive promotional opportunities to Hill's Pet Food at the City of San José's Animal Care Center.

BACKGROUND

Hill's Pet Food Company ("Hill's") was established in 1943 to produce pet nutrition products to help enrich and lengthen the special relationship between people and their pets. Hill's produces a well-known high quality pet food called Science Diet.

In 2001, due to increasingly tight financial budgets for animal organizations, the Humane Society of the United States implemented a program entitled Shelter Partners that provided participating animal shelters with revenue-generating programs and discounts on products, services and training opportunities. Shelter Partners now has over 1,500 members including the City of San José and Hill's Pet Food Company. Through this program, Hill's provides Science Diet animal food to participating animal shelters for the cost of shipping.

ANALYSIS

In an effort to provide quality animal food at the lowest cost, Animal Care and Services ("ACS") contacted Hill's to obtain information and pricing options. Based on the estimated number of dogs and cats that will be adopted and the number of animals that will be housed at the Animal Care Center, Hill's submitted a proposed sponsorship program agreement. The sponsorship program requires that ACS submit a list of persons who have adopted animals at the Animal Care Center and agreed to the release of their contact information to Hill's for the purpose of

receiving coupons and advertisements. The Animal Care Center is to display Hill's products and is not to promote, display, distribute, or endorse other pet food products.

In exchange for promoting Science Diet, ACS will be able to provide all of the animals in the shelter a high quality nutritional food at a low cost. Additionally, each person who adopts an animal will receive a free bag of Science Diet dog or cat food. By providing new owners with the same food for the transitional period, ACS will increase the success of adoptions by making the transition easier for new owners and their pets.

COST IMPLICATION

Based on the estimated annual number of animals to be fed at the shelter, it would cost ACS \$49,200 to provide Hill's Science Diet. The annual cost of feeding the animals Authority Adult Formula, a leading brand of comparable pet food, would be \$34,660. The annual estimated contract cost for Hill's Science Diet is \$13,400; this cost is for shipping and handling only, a savings of \$35,800 from the retail price of Hill's and \$21,260 from Authority Adult Formula pet food.

COORDINATION

This memo was coordinated with the City Attorney's Office and City Manager's Budget Office.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	3066	Animal Care and Services Program	013790	\$5,644,244	2003-2004 Adopted Operating Budget, Page 697	02/17/2004, Ord. No. 27074
		Total		\$5,644,244		

CEQA

Not a project.

SARA L. HENSLEY
Director of Parks, Recreation
and Neighborhood Services