



# City of Austin

## Recommendation for Action

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File #: 26-2725, Agenda Item #: 25.

1/22/2026

### **Posting Language**

Authorize amendments to four contracts for continued pharmaceuticals and medical supplies with McKesson Medical-Surgical, Inc. dba McKesson Medical-Surgical Government Solutions LLC, Henry Schein Inc. dba Henry Schein, Cardinal Health dba Cardinal Health 110, LLC, and Concordance Healthcare Solutions, to increase the amount by \$2,745,000 for a revised total contract amount not to exceed \$7,755,000. Funding: \$610,000 is available in the Operating Budget of various City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Lead Department**

Austin Financial Services.

### **Client Department(s)**

All City Departments.

### **Fiscal Note**

Funding in the amount of \$610,000 is available in the Fiscal Year 2025-2026 Operating Budget of various City departments.

Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Procurement Language:**

Contract Amendment.

### **MBE/WBE:**

This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

### **Prior Council Action:**

March 09, 2023 - Council approved a contract for pharmaceuticals and medical supplies with McKesson Medical-Surgical, Inc dba McKesson Medical-Surgical Government Solutions LLC., Henry Schein Inc dba Henry Schein., Cardinal Health dba Cardinal Health 110, LLC., and Concordance Healthcare Solutions.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500.

### **Additional Backup Information:**

The contracts provide access to a wide range of essential clinic supplies such as vaccines, needles, exam gloves, bandages, thermometers, laboratory materials, and test kits across the City. This includes the following

groups within Austin Public Health: immunizations, communicable disease control, epidemiology, nursing services, Women, Infant and Children Clinics, Neighborhood and Community Centers, the Refugee Clinic, Sexual Health and Tuberculosis Clinics. The contracts also support emergency medical response departments by ensuring the availability of critical supplies.

These amendments will increase the authorized spending on the contracts, enabling multiple City departments to continue purchasing pharmaceuticals and medical supplies in support of various medical facilities and public health programs. The initial contract authority was underestimated due to higher-than-anticipated demand for medical supplies across departments. Additionally, expanded community outreach efforts have contributed to greater utilization of these contracts than originally anticipated.

This agreement is part of the Minnesota Multistate Contracting Alliance for Pharmacy cooperative, which establishes competitively bid contracts accessible to the State and other government entities. By leveraging the State's volume-buying power, cooperative purchasing helps reduce costs across hundreds of contracts, delivering significant taxpayer savings through a streamlined procurement process.

A delay in approving this additional authority could lead to supply interruptions, compromising the City's ability to sustain critical public health services and emergency medical response efforts.

**Contract Details:**

Contract Term	Length of Term	Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	5 years	\$5,010,000		\$5,010,000
Proposed Amendment			\$2,745,000	\$2,745,000
<b>Total</b>	<b>5 years</b>	<b>\$5,010,000</b>	<b>\$2,745,000</b>	<b>\$7,755,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.