



Inspector General Insights

Background: As proposed for the July 23, 2024, Board of County Commissioners agenda, Domestic Animal Services (DAS) staff recommended to approve, "...expenditures under a sole-source waiver to Zoetis, Inc. (Zoetis), for a period of five years in an amount not to exceed \$150,000 per Fiscal Year 2024 through 2029." Further, staff indicated that, "Zoetis currently holds registered trademarks for a variety of veterinary preventatives and medications used at DAS. While some medications can be purchased from other distributors as a third-party provider, they come at a higher cost versus purchasing directly from the manufacturer."

As per Procurement Ordinance No. 2013-69, as amended, the terms sole source and single source are defined as follows:

- *Sole source* refers to a procurement where the selection of one particular supplier to the exclusion of all other may be based on a lack of competition, proprietary technology, copyright, warranty or a supplier's unique capability.
- *Single source* refers to a procurement directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

Objective: To determine if the sole-source waiver justifies making an exception to the Collier County Procurement Ordinance, which typically would require obtaining three price quotes and selecting the lower priced alternative for such purchases.

Scope: The Office of Inspector General reviewed the drugs purchased by DAS from 2021-2024. The top 3 vendors providing veterinary drugs were Zoetis, MWI Veterinary Supply Co. (MWI), and Patterson Veterinary Supply, Inc. (Patterson).

Observations: For the invoices examined, the OIG made the following observations:

1. Based on the data we were able to extract from the invoices, we analyzed drug purchases with a cumulative total over \$1,000.00. All five Zoetis drugs listed (Felocell, Vanguard Plus, Dexdomitor, Antisedan, and Vanguard) were also ordered from vendors MWI and/or Patterson. This seems to indicate that all three vendors are competitors for the drugs used at the DAS, as demonstrated by the following quote:

Showing 9 results for azithromycin 200mg5ml

Manufacturer	Price
AMATHEON ANIMAL HEALTH	\$4.15
PATTERSON VETERINARY	\$4.75
covetrus	\$6.65
AmeriSourceBergen	\$6.73
Pharmsource Animal Health	\$10.75

2. The OIG reviewed the drugs indicated by Zoetis as the sole manufacturer of the drug, noting that Cytopoint (used for allergic dermatitis), Diroban (used for heartworm), and Revolution (used for heartworm, fleas, and ticks) were the three drugs listed with the highest quantities purchased by DAS. We found two out of the three drugs may have generic equivalents available with other manufacturers, as indicated by Exhibit A which lists the drugs and possible generic or alternative drugs.

In further reviewing the 10 drugs indicated as “trademarked” by Zoetis, we found that 5 had generic alternatives available. Based on the United States Patent and Trademark Office (USPTO), a trademark can be any word, phrase, symbol, design, or a combination of these things that identifies a good or service. In other words, trademark protects the name of the drug used and prevents others from using the same or similar brand name or logo. A trademark for the name of the drug is not equivalent to a patent on the composition of the drug itself. For example, one of the drugs named is Zeniquin (Marbofloxacin), which Wikipedia identifies as a carboxylic acid derivative third generation fluoroquinolone antibiotic. It is used in veterinary medicine under the brand names Marbocyl, Forcyl, Marbo vet and Zeniquin.

Marbofloxacin

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From Wikipedia, the free encyclopedia

Marbofloxacin is a carboxylic acid derivative third generation [fluoroquinolone antibiotic](#). It is used in [veterinary medicine](#) under the brand names **Marbocyl**, **Forcyl**, **Marbo vet** and **Zeniquin**. A formulation of marbofloxacin combined with [clotrimazole](#) and [dexamethasone](#) is available under the name Aurizon ([CAS number](#) 115550-35-1).

This shows that Zoetis, manufacturer of Zeniquin, is not the sole manufacturer of this drug. And, therefore, having registered trademarks for the names of the various drugs should not be used as a reason to justify making Zoetis a sole source provider.

3. Based on an article published by PetHelpful, the OIG noted that the patents that Zoetis has on some of the drugs (e.g. Apoquel) would expire before the 5-year requested sole source contract expired. This may lock the County into rates higher than would otherwise be paid.
4. The OIG reviewed various drugs purchased to compare prices between manufacturers; however, due to the various names used by the manufacturers, different dosages, and the lack of quotes it was a difficult task to determine if the current purchased drug(s) were in fact the lowest cost. The following listing illustrates this, showing an example of the drug ‘Dexdomitor’ which was purchased thru Zoetis, MWI, and Patterson during the periods sampled:

Vendor	RYEAR	ITEM_DESC	ITEM_C	Unit Pric
Zoetis	2021	DEXDOM SOL 0.5MG/MLX10ML V	8	\$ 138.26
Zoetis	2021	DEXDOM SOL 0.5MG/MLX10ML V	10	\$ 142.76
Zoetis	2021	DEXDOM SOL 0.5MG/MLX10ML V	10	\$ 142.76
Zoetis	2021	DEXDOM SOL 0.5MG/MLX10ML V	8	\$ 142.76
Zoetis	2021	DEXDOM SOL 0.5MG/MLX10ML V	4	\$ 142.76
MWI	2021	DEXDOMITOR 0.5MG/ML	6	\$ 184.35
Zoetis	2022	DEXDOM SOL 0.5MG/MLX10ML V	4	\$ 142.76
Zoetis	2022	DEXDOM SOL 0.5MG/MLX10ML V	4	\$ 142.76
Zoetis	2022	DEXDOM SOL 0.5MG/MLX10ML V	10	\$ 142.76
Zoetis	2022	DEXDOM SOL 0.5MG/MLX10ML V	6	\$ 142.76
Zoetis	2023	DEXDOM SOL 0.5MG/MLX10ML V	6	\$ 159.18
Patterson	2024	DEXDOMITOR INJ SOL 0.5MG/ML (RX) 10ML	7	\$ 225.00

DAS paid \$225.00 per unit of 'Dexdomitor' in 2024 through Patterson; however, it was only \$159.18 through Zoetis the prior year, and no quotes were provided. Without quote support, we are unable to confirm that Patterson provided the lower cost alternative at that point in 2024.

Recommendations & Actions: Although the OIG noted that there were several instances where Zoetis did appear to be the lowest price, this can only be verified by performing price quotes at the time of the purchase. Given that many purchases in our sample did not have three quotes performed at the time of purchase, we cannot verify whether Zoetis provided the lowest cost option. Accordingly, the OIG recommends that DAS staff be required to obtain three quotes for drugs utilized, rather than locking into a sole source agreement with Zoetis until 2029. If three quotes are consistently provided, DAS' assertion that Zoetis should be single sourced could be reexamined later, when empirical evidence can support that Zoetis routinely provides the lowest cost for the drug purchases.

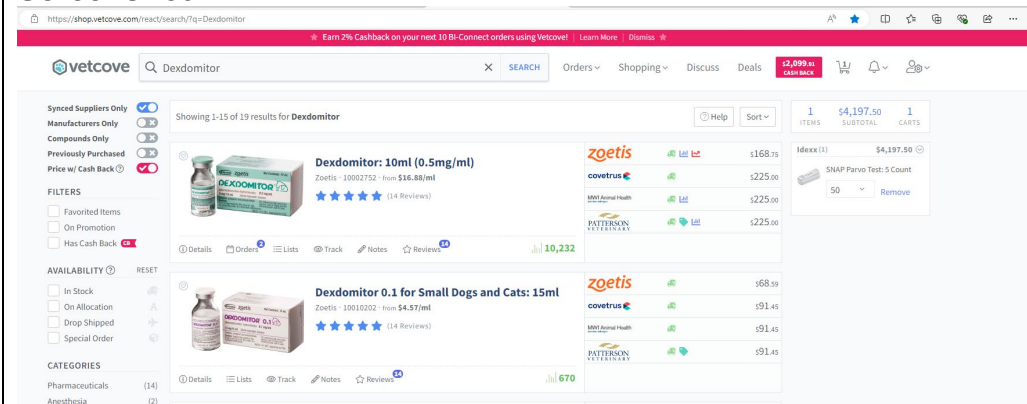
Management Response:

Management agrees with the recommendation of the OIG and will obtain three quotes for drugs utilized at DAS through Vetcove.com to ensure the lowest cost of the drug purchases. Staff will reexamine a single-sourced vendor at a later date after obtaining additional supporting documentation.

Concerns:

1. Medication prices fluctuate daily.
2. Lengthening the procurement process may risk delays in shelter medical care.

Screenshot:



Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
1,975	\$ 779,392.27	N/A	N/A	1

Exhibit A

Drug Name as Marketed by Zoetis	Treatment Description	Qty Bought b/w 2021-2024	Generic or Alternative Drug
ALBON (Sulfadimethoxine)	Coccidiosis treatment (antibiotic)	4 bottles	Alternative drugs include Trimethoprim-Sulfonamide combinations such as trimethoprim-sulfadiazine, trimethoprim-sulfamethoxazole, and trimethoprim-sulfadoxine. They work by inhibiting bacterial growth and folic acid production, similar to Albon. Another trade name is Di-Methox.
APOQUEL	Allergic itch	6 bottles	No generic Apoquel alternatives, as Zoetis holds the patent for the medication until 2026.
CYTOPOINT	Allergic dermatitis and atopic dermatitis	300 vials	No generic version of Cytopoint available. It is a patented biological therapy and not a chemical drug, which makes it more challenging to create generic alternatives. Steroid's like prednisone can be used to control severe itching and inflammation in the short term but are not idea for long-term management due to potential side effects.
CONVENIA (Cefovecin Sodium)	Bacterial skin infections	22 vials	While there isn't a direct generic equivalent to COVENIA, there are alternative treatment for skin infections in cats and dogs, such as ciprofloxacin or topical medications.
DIROBAN (Melarsomine Dihydrochloride)	Heartworm	487 vials	Another trade name is Immiticide by Boehringer Ingelheim.
NEO PREDEF	Skin/ear infections	1 cartridge	N/A
PROHEART 6 INJECTABLES (Moxidectin)	1 year heartworm	N/A	Alternative drugs such as ivermectin (Heartgard), milbemycin oxime (Interceptor), and selamectin (Revolution) are used for effective heartworm preventatives in a variety of formulations. Other trade names are Cydectin, Equest, and Quest.
REVOLUTION (Selamectin)	Heartworm flea/ticks	213 cartridges	This is an alternative drug to the one mentioned right above. However, in addition to the drugs mentioned above, Inceptor Plus (milbemycin oxime/praziquantel) and Sentinel Spectrum (milbemycin oxime/lufenuron/praziquantel) are monthly chewable tablets that prevent heartworms. Other brand names used are Stronghold and Revolt.
SYNOTIC OTIC SOLUTION	Ear infection (chronic)	None for this specific solution. County staff had purchased	Alternative drugs include Cort/Astrin Solution and Topical Aminoglycosides.
ZENIGUIN (Marbofloxacin)	Bladder/kidney infections	2 bottles	Alternative drugs include Ciprofloxacin, Nitrofurantoin, and Enrofloxacin. Other brands include Marbocyl, Forcyl, Marbo vet.