

Board Meeting
January 15, 2009

Revised, pages 6 and 7

ROLL CALL

PURCHASE AND CHANGE ORDER RECOMMENDATIONS

The "Purchase and Change Order Recommendations" are presented by campus and a Summary from "Appropriated Funds" (i.e., from State appropriations to the University) and from "Institutional Funds" is included. The latter term is used here to designate funds received by the University under contracts with the United States Government; contracts with private corporations and other organizations, from foundation grants, and grants from corporations and other donors; and University revolving funds authorized by law. The Summary also indicates a total amount by campus.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois Statutes, The General Rules Concerning University Organization and Procedure, and Board of Trustees policies and directives.

The Directors of Purchases have proposed and the Vice President, Chief Financial Officer and Comptroller recommends the following purchases and change orders. Unless otherwise specified, the purchase in each case is recommended on the basis of the lowest acceptable bid.

The one postponement item is recommended by the Chancellor at Urbana.

The President of the University concurs.

PURCHASES RECOMMENDED

Urbana-Champaign Campus

1	Unit	Micro and Nanotechnology
	Item	Step and Flash Imprint Lithography System
	Cost	\$660,000
	Vendor	Molecular Imprints, Incorporated, Austin, TX

This purchase is a sole source because Molecular Imprints, Incorporated is the only manufacturer that produces a commercially available Step and Flash Imprint Lithography system for research involving compound semiconductor production which is required by a grant from the National Science Foundation.

The system will be used to assist multidisciplinary researchers in the production of state-of-the-art electronic devices such as transistors, and optoelectronic devices such as lasers and photo detectors.

A discount of 20% was negotiated.

2 Unit University Libraries

Item Broker services for the purchase of monographic material for the University Libraries for the period July 1, 2009 through June 30, 2012 with the option to renew for one additional two year period at the same terms and conditions. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$5,400,000 (estimated)

Renewal Options:
FY13-FY14 \$1,800,000 est. per year

Vendors YBP Library Services, Contoocook, NH

<u>Proposals Received</u>	<u>Point Summary of Proposals</u> (Maximum score of 7,200)
YBP Library Services, Contoocook, NH	5,786
Coutts Library Services, Niagara Falls, Canada	5,585
Blackwell North America, Lake Oswego, OR	4,657

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The services include those that allow for efficient selection and ordering; enhanced technical services that allow libraries maximum efficiencies in processing books; cataloging options that allow users quick access to titles, and a state-of-the-art distribution model for print and online delivery.

A discount of 18% to 19% was negotiated.

3 Unit Facilities and Services

Item 15KV electrical distribution cable to support the electrical requirements of the NCSA Petascale Computing Facility

Cost \$359,657 (estimated)

Vendor The Okonite Company, Naperville, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
The Okonite Company, Naperville, IL	\$359,657
Tepper Electric Supply Company, Champaign, IL	\$373,410
Englewood Electric Supply Co., Champaign, IL	\$385,101
Anixter, Inc., Mount Prospect, IL	\$406,543
Kerite Company, Seymour, CT	\$407,958
Divane Bros. Electric, Franklin Park, IL	\$435,918
Champion Wire & Cable, Westbury, NY	\$596,217

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The electrical distribution cable is required for transmitting electrical power to the supercomputing equipment that will be located in the NCSA Petascale Computing Facility.

Chicago Campus

4 Unit Hospital/Information Technology Services

Item Hardware, software, and support to migrate the Electronic Medical Record applications to a new operating system for the period January 20, 2009 through November 30, 2010

Cost \$2,500,000 (estimated)

Vendor Cerner Corporation, Kansas City, MO

This purchase is a sole source because Cerner is the developer of the Electronic Medical Record (EMR) software and it is the only supplier with access to the source code for conversion to the Unix operating system platform.

The EMR application was purchased from Cerner in 1999 and has been customized to record Medical Center patient information and diagnostics, running on an Open VMS operating system. Due to industry and technology changes, Hewlett Packard is requiring Cerner and other software developers to rewrite their applications on a new server product line using the Itanium platform. Cerner's UNIX operating system is compatible with the new Itanium platform so Cerner made a business decision to no longer support its

Open VMS operating system after December 2011. The Medical Center must convert their records during the next 18 months using internal resources as well as Cerner's expertise to provide a seamless transition for approximately 5,000 users to have the least impact on patient care and safety.

5 Unit Mechanical and Industrial Engineering

Item Polytec Scanning Laser Doppler Vibrometer System

Cost \$305,770

Vendor Polytec, Inc., Tustin, CA

This purchase is a sole source because it is for the purchase of equipment specified in a grant from the National Science Foundation.

The Scanning Laser Doppler Vibrometer system enables remote measurement and mapping of the dynamic deflections of a wide-range of structures and systems. By employing laser technology and a computer software driven data acquisition system, the instrument can measure velocities at very low levels over a wide frequency range on structures.

This equipment will be used by multidisciplinary researchers on a wide range of cutting edge research projects including monitoring and damage detection in civil infrastructure, including bridges and offshore oil drilling rigs; transportation system safety; medical diagnostics; tissue engineering for early detection of cancer, and biomedical implants.

6 Unit Campus Auxiliary Services

Item Retail brokerage services for the placement of new tenants into retail spaces at the University Village Marketplace for the period January 20, 2009 through November 30, 2010 with the option to renew for three additional one year periods at the same terms and conditions. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$472,500 (estimated)

Renewal Options:

December 1, 2010 through November 30, 2013 \$236,250 est. per year

Vendor U.S. Equities Realty, LLC, Chicago, IL

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

U.S. Equities Realty, LLC will serve as the University's real estate broker to locate and attract new tenants to retail spaces located at the University Village Marketplace. The company will be responsible for developing all marketing and leasing plans, screening prospective tenants, and negotiating tenant leases on behalf of the University. In addition, U.S. Equities Realty, LLC will work to ensure that the University Village Marketplace maintains a diverse tenant mix of local and national tenants.

7 Unit Hospital/Pediatric Cardiology

Item 3D ultrasound system and upgradable 2D ultrasound system

Cost \$324,194

Vendor Philips Medical Systems N.A., Bothell, WA

This purchase is a sole source because the equipment and technology are patented and compatible with existing equipment from Philips Medical Systems, the only manufacturer and distributor.

This equipment will be used for Pediatric Echocardiography for the diagnosis of children with complex congenital heart disease and those requiring surgery. These ultrasound system capabilities are important because with live 3D technology, surgeons can see the complete valve from multiple perspectives while it is beating, which helps to give an accurate diagnosis. This also allows surgeons to accurately assess heart function before closing, and if needed, further repairs can be done resulting in better patient prognosis.

A discount of 52% was negotiated.

8 Unit Research Resources Center

Item IVIS Imaging System

Cost \$336,271

Vendor Caliper Life Sciences, Hopkinton, MA

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The imaging system will be used for noninvasive and three-dimensional molecular imaging of mice. The multidisciplinary research conducted will be used to assess anti-cancer therapies during treatment, infectious diseases, diabetes, cardiovascular disease, and drug treatment models.

9 Unit Biologic Resources Laboratory

Item Animal cage equipment, installation, cleaners, detergents, and training for the period January 20, 2009 through June 30, 2011

Cost \$652,967 (estimated)

Vendor Sanitation Strategies, Chicago, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Getinge, Rochester, Rochester, NY	\$ 758,391
Pharmalac, Waterbury, CT	\$ 846,269
Quip Labs, Wilmington, DE	\$1,133,838

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The equipment will be used to manage and support animal research programs.

University Administration

10 Unit Administrative Information Technology Services (AITS)

~~Item Oracle Real Application Cluster (RAC) software for the period January 20, 2009 through June 30, 2009 with the option to renewal for two additional one year periods. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.~~

~~Cost \$887,093~~

~~Renewal options:
FY10 FY11 \$887,093 per year~~

~~Vendor Oracle USA, Inc., Redwood Shores, CA~~

~~This purchase is a sole source because the software is patented and compatible with existing software from the only manufacturer.~~

~~In July 2000 the University selected Oracle products to establish a database management system standard for all of the University's administrative information systems. Oracle RAC will facilitate the transition from large servers to smaller, less expensive and more energy efficient servers~~

~~operating in a cluster. The software will be available to all departments and position the University for growth and/or change.~~

~~11 Unit Administrative Information Technology Services (AITS)~~

~~Item Servers, software and training~~

~~Cost \$3,589,530 (estimated)~~

~~Vendor SUN Microsystems, Inc., Champaign, IL~~

~~This purchase is a sole source because the hardware is available from the only manufacturer and must be compatible with the Solaris operating system for SUNGard SCT Banner.~~

~~The current servers are approaching the end of their useful life and will not be supported after 2010. These servers are used for University wide mission critical services in conjunction with the Oracle database software to execute the Banner system and Decision Support Services. The servers will position AITS to deploy and migrate enterprise systems to Oracle RAC.~~

POSTPONEMENT OF PURCHASE RECOMMENDED

Urbana-Champaign Campus

APPROVE POSTPONEMENT OF PURCHASE OF WIND TURBINE, URBANA

At the March 26, 2008 meeting of the Board of Trustees, the Board approved a purchase of a 1.5 Megawatt wind turbine generator at a cost estimated at \$2,551,450 to be located on the South Farms portion of the campus. Planning for this project has been in progress since September 2005. The original plan contemplated three wind turbines. During the planning period, demand for wind turbines grew worldwide and prices escalated. It became clear that only one turbine was possible within the budget, so the scaled-down project would generate one-third of the electricity initially expected. This translated into a 20-year payback on our investment. What has changed markedly since that time is the financial uncertainty that both the state and the university are now facing. Postponement will allow the campus to carefully review its current obligations and determine how the campus can optimize and continue to implement a broad array of measures to save energy in partnership with the Illinois Clean Energy Community Foundation and other organizations dedicated to sustainability. Projects to reduce the campus carbon footprint which are more cost-effective with shorter payback periods will continue.

CHANGE ORDERS RECOMMENDED

Urbana-Champaign Campus

1 Unit Housing

Item Change order to increase the existing contract for kitchen small wares for catering for FY09.

Cost \$100,000 (estimated)

<u>Original Amount</u> <u>(estimated)</u>	<u>Change Order</u> <u>(estimated)</u>	<u>New Total</u> <u>(estimated)</u>
\$150,000	\$100,000	\$250,000

Vendor Robert Gill & Company, Inc., Orland Park, IL

In July 2006 the Director of Purchases approved a contract with Robert Gill & Company, Inc. to provide kitchen small wares for Housing Dining Services. The award was based upon a competitive bid in accordance with the requirements of the Illinois Procurement Code.

The term of the original FY07 contract was for an estimated \$150,000 per year with the option to renew for five additional one year periods.

Due to the increased catering needs to stock the new I-Hotel Conference Center and new suites at the Memorial Stadium, it is necessary to increase the expenditure for FY09 from an estimated \$150,000 to an estimated \$250,000.

2 Unit Facilities and Services

Item Change order to increase the existing contract for DeltaV Digital Automation System for FY09.

Cost \$185,000 (estimated)

<u>Original Amount</u> <u>(estimated)</u>	<u>Change Order</u> <u>(estimated)</u>	<u>New Total</u> <u>(estimated)</u>
FY09 \$190,000	\$185,000	\$375,000

Vendor Novaspect, Inc., Elk Grove Village, IL

In September 2000 the Director of Purchases approved a contract with Novaspect, Inc. to upgrade the boiler control package for Abbott Power Plant. Sole source requirements were followed in accordance with the Illinois Procurement Code.

The original project was estimated to be \$517,714 and was included as a small part of the Abbott Power Plant Expansion and Rehabilitation Project approved for \$60 million at the July 20, 2000 Board of Trustees meeting.

The controls in the five central campus chiller plants are obsolete and/or non-functional and need to be replaced. By upgrading and incorporating the control systems of the power plant and the chiller plants into a single DeltaV system all facets of the plant operations will be optimized to insure the most cost effective energy to the campus.

Chicago Campus

1 Unit Hospital/Radiology

Item Change order to increase the existing contract for estimated quantities of SIR-Spheres microspheres containing radioactive Yttrium-90 for FY09.

Cost \$540,000 (estimated)

Original Amount (estimated)	Change Order (estimated)	New Total (estimated)
\$180,000	\$540,000	\$720,000

Vendor Sirtex Medical, Inc., Lake Forest, IL

In May 2008 the Director of Purchases approved a contract with Sirtex Medical, Inc. for supplies used in Nuclear Medicine to treat patients with liver cancer using novel small particle technology. Sole source requirements were followed in accordance with the Illinois Procurement Code.

The original contract was for an estimated \$180,000 for FY09. The patient volume for using the new treatment for liver cancer has increased rapidly and substantially, necessitating additional supplies estimated at \$540,000 for the remainder of FY09.

SUMMARY OF PURCHASES	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 6,419,657
Chicago Campus	\$ 4,591,702
University Administration	\$ 4,476,623
Recommended from Institutional Funds	\$15,487,982
Grand Total	<u>\$11,011,359</u>
SUMMARY OF CHANGE ORDERS	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 285,000
Chicago Campus	\$ 540,000
Recommended from Institutional Funds	\$ 825,000
Grand Total	\$ 825,000