

Executive Committee Meeting
January 25, 2008

ROLL CALL

PURCHASE AND CHANGE ORDER RECOMMENDATIONS

The "Purchase and Change Order Recommendations" are presented by campus and a Summary of Purchases and Change Orders 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 and Chief Financial Officer 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 President of the University concurs.

PURCHASES RECOMMENDED

Urbana-Champaign Campus

1 Unit	Beckman Institute
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Item	Computerized Axial Nano Tomography (CAT) System
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Cost	\$2,009,500 f.o.b. delivered
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Vendor Xradia, Inc., Concord, CA

This purchase is a sole source because the x-ray optics are proprietary and Xradia, Inc. is the only manufacturer that produces a complete Computerized Axial Nano Tomography (CAT) System that supports non-destructive internal 3D imaging at the highest resolution nano-scale.

This CAT System will advance forty seven current research projects of faculty from twenty different departments, and will have a number of practical impacts beyond basic research. These include: healthcare improvements in the areas of bone regrowth, cleft palate repair, and cancer imaging; a progression towards clean energy with fuel cell improvements; and improvements in bioimaging. The System will also provide research training opportunities for nearly 300 students and will be integrated into two educational outreach programs. This investment in equipment will aid in generating additional sponsorship support and grant funding.

Funds for this system are available from a grant from the National Science Foundation. The price is considered reasonable and acceptable.

2 Unit Civil and Environmental Engineering

Item Ion Trap XCT, Analytical Liquid Chromatograph (LC) with a Nano Flow, Capillary LC System to interface with existing Mass Spectrometer

Cost \$249,006 f.o.b. delivered

Vendor Agilent Technologies, Wilmington, DE

This purchase is a sole source because the items are patented, and Agilent Technologies is the only manufacturer that produces a complete LC System that is compatible with and will interface and enhance the capabilities of an Agilent Mass Spectrometer that is currently being used in the department for research.

This high quality LC instrument and measuring system will allow faculty to perform environmental research related to the treatment and transport of polar organic molecules in drinking water and wastewater systems. Examples of such molecules are pharmaceutical compounds, personal care product compounds, and pesticides. This investment in equipment will aid in generating additional sponsorship support and grant funding.

Agilent Technologies has offered this completely overhauled, vendor-demonstrated only equipment, with a like new warranty, at a 50% substantial savings. The price is considered reasonable and acceptable.

3 Unit Electrical and Computer Engineering

Item Pattern Generator and Bit Error Rate Test (BERT) Detector System

Cost \$330,070 f.o.b. delivered

Vendor Agilent Technologies, Englewood, CO

This purchase is a sole source because Agilent Technologies is the only manufacturer and distributor that produces a complete Pattern Generator and Bit Error Rate Test (BERT) Detector System that is compatible with and will enhance other Agilent measurement equipment that is currently being used in the department's semiconductor research programs.

This high quality Detector System is the only system that can measure and test data streams at up to 45 Gigabytes per second, and will be available to all faculty and students on campus to foster and facilitate multi-disciplinary semiconductor research.

This research will have broad impact ranging from human health to environmental economics. This investment in equipment will aid in generating additional sponsorship support and grant funding.

Agilent Technologies has offered this completely overhauled, vendor-demonstrated only equipment, with a like new warranty, at a 44% substantial savings. Almost half of the funding will be provided by a federal grant. The price is considered reasonable and acceptable.

4 Unit National Center for Supercomputing Applications (NCSA)

Item Maintenance and consulting support for HDF4 and HDF5 software on five NCSA high-end supercomputing systems for the period January 19, 2008 through September 30, 2009 with the option to add software maintenance and support for three additional machines at an annual cost of \$205,382 per machine through September 30, 2009.

Cost \$1,723,056

Vendor The HDF Group, Champaign, IL

This purchase is a sole source because The HDF Group developed the proprietary HDF software and is the only vendor who can provide support and maintenance on these systems.

The HDF software is a custom software package that was developed for use on high-end computing systems to provide strategic applications including storing, accessing, visualizing, preserving and moving large volumes of data. The software also allows NCSA to access the data archive at the San Diego Supercomputer Center and manage large data sets for users in the same format across both data archives.

Funds for these systems are available from a grant from the National Science Foundation. A discount of 24% has been negotiated. The price is considered reasonable and acceptable.

5 Unit Campus Recreation

Item Furnish and install fitness equipment at the renovated Intramural Physical Education Building.

Cost \$506,477

Vendor Life Fitness, Schiller Park, IL

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

The fitness equipment consists of a variety of weight lifting apparatuses, benches, and weights on pulleys, all of which can be configured to accommodate a wide-range of strength and aerobic training routines.

6 Unit Division of Intercollegiate Athletics (DIA)

Item Conversion to vendor-hosted Paciolan ticketing system, including consulting, hardware, software, support and estimated transactional fees, and travel for the period February 1, 2008 through June 30, 2013.

Cost \$1,700,000 (estimated)

Vendor Paciolan, Inc., Irvine, CA

This purchase is a sole source because the Paciolan software is proprietary and compatible for the conversion from the current self-hosted ticketing system on a DIA server at the Assembly Hall, to a hosted ticketing system by Paciolan. The conversion is required for compliance with Payment Card Industry Data Security Standards and avoidance of penalties for noncompliance.

The original system is nearly 25 years old and contains past ticket purchases history which can be converted. Existing equipment will still be compatible with the new system.

A critical feature of the new system is its ability to manage all ticketing and development records within one database, allowing DIA to tie a ticket holder's membership level with the seating location they receive.

The price is considered reasonable and acceptable.

7 Unit Office of Technology Management

Item Provide assistance with commercialization of technologies developed by the University for the period February 1, 2008 through June 30, 2009, with the option to renew for two additional two year periods with an increase not to exceed 5% for each two year renewal period. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$225,000 (estimated)

Renewal Options:

FY10 & FY11 \$315,000 est.

FY12 & FY13 \$330,750 est.

Vendor Excend Consulting Group, Salt Lake City, UT

Proposals Received

Point Summary of Proposals

(Maximum Score of 400)

Excend Consulting Group, Salt Lake City, UT

268

Quasar Strategies, Champaign, IL

194

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

The services are for commercial viability screening evaluations; in depth technology assessments including expert interviews and identification of potential licensees; development, design and execution of marketing plans; negotiation of license business and financial terms; technical writing; and web site development.

Chicago Campus

8 Unit Hospital – Materials Management

Item Estimated quantities of vascular stents for the period January 21, 2008 through June 30, 2010.

Cost \$750,000 f.o.b. delivered (estimated)

FY08 \$150,000 est. (partial year)

FY09 \$300,000 est.

FY10 \$300,000 est.

Vendor Cordis Neurovascular, Inc., Miami Lakes, FL

This purchase is a sole source because the item and technology is patented and Cordis Neurovascular, Inc. is the only manufacturer that offers a vascular stent for navigating tortuous cerebral blood vessels for the treatment of wide-neck intracranial cerebral aneurysm. This new stent technology can now repair aneurysms previously unreachable and is proven to be superior in clinical settings of navigating tortuous cerebral blood vessels providing precise stent placement and assuring patient safety.

A discount of 25% has been negotiated. The price is considered reasonable and acceptable.

9 Unit Hospital - Materials Management

Item Estimated quantities of surgical products including balloons, sheaths, filters, catheters, and chronic total occlusions for the period January 21, 2008 through June 30, 2009, with the option to renew for three additional one year periods. All renewals are subject to continuing need, availability of funds, satisfactory

performance, and Board of Trustees' approval.

Cost \$450,000 f.o.b. delivered (estimated)

Renewal Options:
FY 2010 \$300,000 est.
FY 2011 \$300,000 est.
FY 2012 \$300,000 est.

Vendor Johnson & Johnson Health Care Products, Inc., Piscataway, NJ

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

The balloons, sheaths, filters, catheters and chronic total occlusion products will be used in the Interventional Radiology and Cardiology Labs to treat patients with vascular related maladies.

10 Unit College of Medicine

Item Power Distribution Unit and an Uninterruptible Power Supply, two air conditioning units, seven server racks, security camera system and related hardware and software, with the option to renew maintenance for two additional one year periods. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$229,942

Maintenance Renewal Options:
FY09 \$12,450
FY10 \$23,015

Vendor Aerico, Inc., Arlington Heights, IL

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

The turnkey installation of the infrastructure supporting a data room will be located at the Benjamin Goldberg Research Center. The data room will support the networking and administrative functions of the College of Medicine to comply with the Health Insurance Portability and Accountability Act (HIPAA), Personal Information Privacy Act, and Family Educational

Rights and Privacy Act (FERPA) by housing all electronic data in a physically secured facility by September, 2008.

11 Unit Department of Research Resources Center

Item Biacore T100 Processing Unit consisting of processing unit, system operation kit, support documentation, software and accessories, sensor chip package, reagent package, vials, cap package, getting started kit, maintenance kit, and computer system with monitor and printer, training, warranty, installation and freight.

Cost \$355,888 f.o.b. delivered

Vendor GE Healthcare Bio-Sciences Corporation, Piscataway, NJ

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

The equipment will be used at a core facility, jointly run by the Research Resources Center and the Department of Biochemistry and Molecular Genetics. Researchers will use the unit to measure binding affinity and binding kinetics, concentration determinations, binding specificity analyses, and epitope mapping.

12 Unit Department of Medicinal Chemistry & Pharmacognosy

Item Three-dimensional Ion Trap/Axial Time-Of-Flight Hybrid Mass Spectrometer consisting of liquid chromatograph interface with electro spray and atmospheric pressure chemical ionization probes, advanced data station, formula predictor software, central communication and control module, vacuum degasser, mist filter and oil return kit, solvent delivery unit, autosampler, photodiode array detector with Ethernet switch, column oven, start-up kit, metabolite identification software, software license, one year warranty, installation and training.

Cost \$303,210 f.o.b. delivered

Vendor Shimadzu Scientific Instruments, Inc., Addison, IL

Bids Received

Shimadzu Scientific Instruments, Inc., Addison, IL

Total Cost

\$303,210

Applied Biosystems, Foster City, CA

\$386,309

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

The equipment will be used by biomedical researchers in the new field of proteomics, involving the study of proteins and their interactions. Proteomics can provide critical information regarding human health at a molecular level, long before symptoms appear, and lead to tailoring drugs to meet individual needs.

13 Unit College of Dentistry

Item Supply and operation of the dental storeroom for the College of Dentistry for the period July 1, 2008 through June 30, 2011 with the option to renew for two additional one year periods at an increase not to exceed 4% for the first renewal period and no price increase for the second renewal period. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$6,000,000 (estimated)

FY09 \$2,000,000 est.

FY10 \$2,000,000 est.

FY11 \$2,000,000 est.

Renewal Options:

FY12 \$2,080,000 est.

FY13 \$2,080,000 est.

Vendor Henry Schein, Melville, NY

Proposals Received

Point Summary of Proposals
(Maximum Score of 2,375)

Henry Schein, Melville, NY

1,665

Benco Dental, Wilkes-Barre, PA

1,060

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

Henry Schein will partner with the University as a Wholesale Distributor to provide equipment and supplies necessary to operate the dental supply room for the College. As the College's supply chain manager, Schein will incorporate secured internet integration allowing the University to explore additional means of gaining efficiency within its supply ordering and managing systems by using the Internet (virtual storeroom technology) and other automated technologies.

14 Unit College of Medicine – Department of Surgery

Item A da Vinci Surgical System (animal lab model), instrument supplies, and service and maintenance agreement.

Cost \$2,895,000 f.o.b. delivered (estimated)

Equipment Cost	\$1,530,000
Maintenance Agreement	\$ 540,000 (\$135,000 per year for FY10 - FY13)
Supplies	\$ 825,000

Vendor Intuitive Surgical, Inc., Mountain View, California

This purchase is a sole source because the item is patented, compatible with existing equipment and supplies, and Intuitive Surgical, Inc., is the only manufacturer and distributor.

This da Vinci Surgical System will be used on 80 pound pigs to train College of Medicine surgical residents, surgical attending physicians, and international surgeons seeking robotic surgery certification. The University currently has two surgical robots that were purchased from the same vendor in 2000 and in May 2007. These robots are being used in the Hospital Surgery Department for minimally invasive surgeries on patients.

Half of the funds are being provided by a private donor. The price is considered reasonable and acceptable.

15 Unit Numerous Campus Units

Item Cylinder gas services for the period January 21, 2008 through June 30, 2010 with the option to renew for three additional one year periods at an increase

not to exceed 3.5% annually. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$1,442,585 (estimated)

FY08 \$ 245,171 est. (partial year)

FY09 \$ 588,410 est.

FY10 \$ 609,004 est.

Renewal Options:

FY11 \$1,493,074 est.

FY12 \$1,545,332 est.

FY13 \$1,599,419 est.

Vendor Progressive Industries, Inc., Chicago, IL

Proposals Received

Point Summary of Proposals

(Maximum Score of 18,750)

Progressive Industries, Inc., Chicago, IL

15,800

LifeGas, Elk Grove Village, IL

15,725

Praxair, Hillside, IL

14,340

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

More than 300 campus departments will utilize the cylinder gas services.

The price is considered fair and reasonable. A best and final offer was negotiated, saving the University over \$200,000 for the term of the contract and a discount of 2.5% for each renewal period.

University Administration

16 Unit Global Campus

Item Constituent Relationship Management System (CRM) including hardware, software, installation, training, maintenance, travel, and 20 user licenses, with the option to renew support and maintenance at an annual cost of \$31,050 per year through Fiscal Year 2011. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

approval.

Cost \$408,950 (estimated) f.o.b. delivered

Renewal Options:

FY09: \$31,050 – support and maintenance

FY10: \$31,050 – support and maintenance

FY11: \$31,050 – support and maintenance

Vendor Talisma, Bellevue, WA

Proposals Received

Point Summary of Proposals

(Maximum Score of 3,107)

Talisma, Bellevue, WA

2,343

Hobsons, Cincinnati, OH

1,876

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

The CRM System will support interactions and relationship building with prospects, recruits and students. The Global Campus will use the CRM system to track the full lifecycle of interactions from initial identification as a prospect through and beyond degree completion. Other campus offices, including Admissions and Records, will also be able to utilize the system.

CHANGE ORDERS RECOMMENDED

Urbana-Champaign Campus

1 Unit McKinley Student Health Center

Item Change order to increase the existing contract for temporary staff physicians for the McKinley Student Health Center for Fiscal Year 2008 and Fiscal Year 2009, with the option to renew for two additional one year periods. Interim Physicians pricing is firm for FY08 and FY09, and FY10 and FY11 are not to exceed 5% per year. Jackson and Coker's pricing is firm for FY08 and FY09, and are not to exceed 3% for FY10 and firm for FY11. All renewals are subject to continuing need, availability of funds,

satisfactory performance, and Board of Trustees' approval.

Cost \$200,000 (estimated)

	Original Amount (estimated)	Change Order (estimated)	New Total (estimated)
FY08 & FY09	\$360,000	\$200,000	\$560,000 (18 months)

Renewals:

FY10	\$180,000	\$100,000	\$280,000
FY11	\$180,000	\$100,000	\$280,000

Vendors Interim Physicians, Inc., Palos Heights, IL (\$100,000)
Jackson and Coker, Alpharetta, GA (\$100,000)

In January, 2006, the Director of Purchases approved contracts to provide temporary staff physicians for the McKinley Student Health Center. The awards were based upon a competitive bidding process in accordance with the Illinois Procurement Code. Due to unanticipated physician turn-over, an increase in the maximum allowable amount to each temporary physician staffing vendor is necessary to be able to offer uninterrupted health care to the Urbana-Champaign campus students.

Services will include arranging with physicians to provide medical services on a locum tenens basis. The vendors will insure that the physicians are licensed to practice medicine in the State of Illinois, be board-certified/board-eligible, have excellent record of professionalism and clinical practice in the past three years, and provide insurance coverage for Professional Liability and other required coverage.

2 Unit Campus Information Technologies and Educational Services (CITES)

Item Change order to increase the existing contract for telecommunications consulting services for voice, data network, video and wireless communications in Fiscal Year 2008.

Cost \$1,000,000 (estimated)

Original amount (estimated)	Change order (estimated)	New Total (estimated)
\$1,441,855	\$1,000,000	\$2,441,855

Vendor Western Telecommunications Consulting (WTC), Inc., Los Angeles, CA

On May 11, 2006, the Board of Trustees approved a contract with Western Telecommunications Consulting (WTC), Inc. to provide consulting services for voice, data network, video and wireless communications to evaluate, identify and assess communications services that will be supported by the upgrade of the existing communication network infrastructure. The original award was based on a competitive bidding process in accordance with the Illinois Procurement Code.

CITES is requesting approval of a change order for an additional \$1,000,000 for supplementary consulting services related to the original scope of work for activity based costing, the technical services agreement process, and integration of peripherals.

WTC's existing knowledge of the processes to date and their experience in these types of processes make them the logical choice to continue work in these areas. It is essential that the activity based costing be continued with the WTC costing model to ensure overall consistency and validity.

Chicago Campus

3 Unit Hospital - Materials Management

Item Change order to increase the existing contract for estimated quantities of pacemakers and leads in Fiscal Year 2008.

Cost \$462,850 f.o.b. delivered (estimated)

Original amount <u>(estimated)</u>	Change order <u>(estimated)</u>	New Total <u>(estimated)</u>
\$87,150	\$462,850	\$550,000

Vendor St. Jude Medical S.C. Inc., Woodland Hills, California

In June, 2005, the Director of Purchases approved a contract with St. Jude Medical to provide pacemakers and leads to regulate heart rhythm, based upon a competitive bidding process in accordance with the Illinois Procurement Code. The term of the contract was for Fiscal Year 2006 with the option to renew for two additional one year periods through

Fiscal Year 2008. This is the second and final renewal option. A new competitive bid will be initiated for these supplies reflecting the increased usage.

The increase is needed due to an increase in the number of heart related procedures performed to treat brad arrhythmia (slow heart rate) plus the addition of a new physician which has enabled the department to perform additional procedures.

An additional discount of 10% has been negotiated with the vendor as a result of the increased volume.

4 Unit Radiology Department

Item Change order to increase the existing contract for estimated quantities of stents and coils for the period July 1, 2007 through June 30, 2010.

Cost \$510,000 f.o.b. delivered (estimated)

	<u>Original Amount</u> <u>(estimated)</u>	<u>Change Order</u> <u>(estimated)</u>	<u>New Total</u> <u>(estimated)</u>
FY08	\$180,000	\$170,000	\$ 350,000
FY09	\$180,000	\$170,000	\$ 350,000
FY10	<u>\$180,000</u>	<u>\$170,000</u>	<u>\$ 350,000</u>
Total	\$540,000	\$510,000	\$1,050,000

Vendor Johnson & Johnson, Inc., Piscataway, NJ

In August, 2007, the Director of Purchases approved a contract with Johnson & Johnson to provide stents and coils for the treatment of cerebral aneurysms. Johnson & Johnson is the only manufacturer of the coils and it is the only product approved by the FDA. Sole source requirements were followed in accordance with the Illinois Procurement Code.

The Radiology Department has adopted the use of cordis coils as the department standard to treat cerebral aneurysms. The increase in the number of physicians using the product has caused an increase in the demand for the product.

University Administration

5 Unit Office of Business and Financial Services,

Student Financial Services and Cashier Operations, and Cash Management

Item Change order to increase the existing contract for on-line financial services to University students, parents, and staff for Fiscal Year 2008 and Fiscal Year 2009 with the option to renew for Fiscal Year 2010. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$55,828 (estimated)

	Original Amount <u>(estimated)</u>	Change Order <u>(estimated)</u>	New Total <u>(estimated)</u>
FY08	\$189,180	\$20,820	\$210,000
FY09	<u>\$189,180</u>	<u>\$35,008</u>	<u>\$224,188</u>
Total	\$378,360	\$55,828	\$434,188
Renewal:			
FY10	\$189,180	\$45,008	\$234,188

Vendor Nelnet Business Solutions, Inc., Lincoln, NE

In April, 2007, the Director of Purchases approved a contract to provide on-line services for students, parents and staff for QuikPay, Financial Counselor and Family Educational Rights and Privacy Act (FERPA) proprietary Nelnet software systems. Sole source requirements were followed in accordance with the Illinois Procurement Code.

The QuikPay Payment Transaction Fees are the fees associated with each online e-check payment transaction. These fees increased by 18% in the first four months of FY08 due to the increase in the growing acceptance of paying online, and the addition of the payment profile feature implemented in February, 2007, allowing customers to save their online payment information for future payments. In addition, it is necessary to upgrade the Nelnet servers.

SUMMARY OF PURCHASES	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 6,743,109
Chicago Campus	\$ 12,426,625
University Administration	\$ 408,950
Recommended from Institutional Funds	
Grand Total	\$ 19,578,684
SUMMARY OF CHANGE ORDERS	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 1,200,000
Chicago Campus	\$ 972,850
University Administration	\$ 55,828
Recommended from Institutional Funds	
Grand Total	\$ 2,228,678