

Executive Committee Meeting  
June 27, 2008

ROLL CALL

PURCHASE AND CHANGE ORDER RECOMMENDATIONS

The "Purchase and Change Order Recommendations" are presented by campus. The source of funding would be "Institutional 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 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 Director of Purchases have proposed and the Vice President and Chief Financial Officer recommends the following purchases and change orders. Unless 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	Abbott Power Plant
	Item	Limestone for Abbott Power Plant for the period July 1, 2008 through June 30, 2011
	Cost	\$1,837,500 (estimated)
	Vendor	Huber Engineered Materials, Atlanta, GA Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

Limestone is used to scrub sulfur dioxide from the fuel gases produced by the coal burning process at Abbott Power Plant. Approximately 37,300 tons will be used over the next three years.

2 Unit Various Campus Departments

Item Bulk liquid nitrogen for the period July 1, 2008 through June 30, 2009

Cost \$419,610 (estimated)

Vendor Air Liquide Industrial, U.S.LP., Countryside, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Air Liquide Industrial, U.S.LP., Countryside, IL	\$419,610
S.J. Smith Co., Urbana, IL	\$456,242

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

Liquid nitrogen in bulk will be used by researchers and instructors to perform research projects and instruct students in laboratories.

3 Unit Facilities and Services

Item Landfill, transportation and labor for disposal of solid waste from the St. Mary's Road Transfer Station for the period July 1, 2008 through June 30, 2009 with the option to renew for four additional one year periods at an increase not to exceed the Consumer Price Index for each renewal period. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$408,224

Vendor Area Disposal, Peoria, IL

<u>Bids Received</u>	<u>Total Cost</u>
Area Disposal, Peoria, IL	\$408,224
Allied Waste Services, Danville, IL	\$426,560
Waste Management, Taylorville, IL	\$462,560

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

The services will facilitate the disposal of approximately 8,000 tons of solid waste which will be consolidated and shipped from the University's transfer station.

---

4 Unit Animal Sciences

---

Item Soybean meal for the period July 1, 2008 through June 30, 2009 with the option to renew for two 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 \$213,000

Vendor Solae, Gibson City, IL

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

The soybean meal is used as feed for research livestock.

---

5 Unit Institute of Aviation

---

Item Aviation gasoline for the period July 1, 2008 through June 30, 2011 with the option to renew for one additional two year period. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$1,260,000 (estimated)

Vendor Arrow Energy, Inc., Saline, MI

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

The aviation gasoline will be used in airplanes to train students.

---

**Chicago Campus**

---

---

6 Unit Facilities Management

---

Item Emergency repair and reconstructive work to HVAC systems, laboratory

gas systems and heating process piping at the College of Pharmacy Building

Cost \$245,321 (estimated)

Vendor Kroeschell, Inc., Arlington Heights, IL

This purchase is exempt from sealed bid procedures because it falls under Section 526.2030, of the Illinois Procurement Rules, Emergency Procurement. This expedited service is required due to a fire in the College of Pharmacy Building.

This service will provide equipment, material, and labor necessary for the repairs required in the laboratories and offices.

**CHANGE ORDERS RECOMMENDED**

---

**Chicago Campus**

---

1 Unit Hospital Pathology Laboratories

---

Item Change order to increase the existing contract for estimated quantities of ThinPrep pap test kits for FY08 through FY12

Cost \$873,431 (estimated)

Vendor Cytec Corporation, Marlborough, MA

	<u>Original Amount</u> <u>(estimated)</u>	<u>Change Order</u> <u>(estimated)</u>	<u>New Total</u> <u>(estimated)</u>
FY08	\$152,050	\$137,200	\$289,250
FY09	\$176,075	\$142,100	\$318,175
FY10	\$179,325	\$170,668	\$349,993
FY11	\$186,730	\$198,262	\$384,992
FY12	\$198,290	\$225,201	\$423,491
Total	\$892,470	\$873,431	\$1,765,901

In June 2007 the Director of Purchases approved a contract with Cytec Corporation to provide ThinPrep pap test kits for the Hospital Pathology Laboratories. Cytec is the only provider of these FDA approved specialized test kits. Sole source requirements were followed in accordance with the Illinois Procurement Code.

The term of the original contract was for FY07 through FY12.

An increase is required due to the 75% increased volume of requests for ThinPrep tests from the Medical Center, outpatient clinics and several Outreach Clients. Liquid-Based Cytology is the industry standard and clinicians have been converting from the conventional pap smear to the ThinPrep testing. An estimated 10% growth is included for FY10 through FY12.

---

**University Administration**

---

2	Unit	Office of Business and Financial Services, Risk Management		
	Item	Change order to increase the existing agreement for claims management services		
	Cost	\$300,000 (estimated)		
		Original Amount (estimated) \$299,000	Change Order (estimated) \$301,000	New Total (estimated) \$600,000
	Vendor	MARSH USA, Inc., Delaware, MD		

On February 26, 2008 the Executive Committee of the Board of Trustees approved a contract with MARSH USA, Inc. to provide claims management services for the College of Pharmacy loss due to fire and the Molecular Biology Research Building loss due to water damage for the period January 26, 2008 to June 30, 2009. The purchase is exempt from sealed bid procedures because it falls under Section 526.2030, of the Illinois Procurement Rules, Emergency Procurement.

Current estimates of the time required by MARSH personnel have increased because the claim has grown in scope, especially given the potential impact of lost/postponed grant revenue. The claims management services include claim preparation, preliminary claim report, claim consultation, and claim project management.

<b>SUMMARY OF PURCHASES</b>	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$4,138,334
Chicago Campus	\$ 245,321
Recommended from Institutional Funds	
Grand Total	\$4,383,655
<b>SUMMARY OF CHANGE ORDERS</b>	
(Rounded to nearest dollar)	
Chicago Campus	\$ 873,431
University Administration	\$ 300,000
Recommended from Institutional Funds	
Grand Total	\$ 1,173,431