

Approved by the Board of Trustees,
March 10, 2005

Board Meeting
March 10, 2005

ROLL CALL

PURCHASES

The "Purchases Recommended" are presented by campus and a Summary of Purchases from "Appropriated Funds" (i.e., from State appropriations to the University) and purchases 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 of Purchases 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 for Administration recommends the following purchases. 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	
Unit	Housing Division
Item	Student Room Furniture consisting of approximately 454 sets of wood beds, desks, pedestals, chests, storage cubes, and shelves and including the removal and disposal of existing furniture.
Cost	\$803,780 – f.o.b. delivered and installed (estimate)
Vendor	Southwest Contract, Temple, Texas
	Other Bid Received
	Mala International, Canada
	Estimated Amount
	\$1,276,124

All prices are f.o.b. delivered and installed.

42 other vendors downloaded the bid from the Higher Education Procurement Bulletin; 35 did not respond, 5 were considered “non-responsive” (one did not comply with State of Illinois financial disclosure or certification requirements and four did not meet specifications for materials and construction), and 2 submitted “no bids”.

This furniture replaces existing student room furniture that was installed in 1965 in Sherman Residence Hall. The existing furniture can no longer be economically maintained. The new furniture is of a combined wood and metal insert construction intended to provide an extended useful life.

Unit	Facilities and Services											
Item	100,000 tons, estimated, coal and disposal of 11,000 tons, estimated, of ash, cinders, bottom ash, and 11,000 tons, estimated, gypsum, to be procured for the period July 1, 2005 through June 30, 2006											
Cost	\$3,857,000 – f.o.b. delivered (estimate)											
Vendor	Freeman Energy Corporation, Springfield											
	<table border="1"><thead><tr><th rowspan="2"><u>Bids Received</u></th><th colspan="2"><u>Estimated Amount</u></th></tr><tr><th><u>Coal</u></th><th><u>TFOC*</u></th></tr></thead><tbody><tr><td>Freeman Energy Corp., Springfield</td><td>\$3,857,000</td><td>\$3,857,000</td></tr><tr><td>ICG, LLC, Ashland, KY</td><td>\$3,617,335</td><td>\$4,403,999</td></tr></tbody></table>	<u>Bids Received</u>	<u>Estimated Amount</u>		<u>Coal</u>	<u>TFOC*</u>	Freeman Energy Corp., Springfield	\$3,857,000	\$3,857,000	ICG, LLC, Ashland, KY	\$3,617,335	\$4,403,999
<u>Bids Received</u>	<u>Estimated Amount</u>											
	<u>Coal</u>	<u>TFOC*</u>										
Freeman Energy Corp., Springfield	\$3,857,000	\$3,857,000										
ICG, LLC, Ashland, KY	\$3,617,335	\$4,403,999										

All prices are f.o.b. delivered.
11 other firms were invited to bid but did not respond.

*Total Fuel Operational Cost (TFOC) was used for the basis of award. The TFOC is the calculation of the cost of energy components needed in the production of 1,700,000 Klbs of coal produced steam, which represents about half of the University’s total steam; the other half is produced by natural gas fired equipment.

Data obtained from burning coal from Freeman Energy Corp. and ICG, LLC (formerly Turriss Coal) under previous contracts was utilized to determine the TFOC and conclusively proved that Freeman Energy Corp.’s coal offers the University the most cost effective purchase providing an estimated cost savings of \$546,999 annually over the purchase offered by ICG, LLC, the second ranked bidder.

Coal is being purchased for the Abbott Power Plant as a primary fuel used to produce steam for heat and electricity.

Natural gas is used to supplement the steam requirements when the BTU's produced by coal alone are not high enough to provide the steam required.

Unit	Supercomputing Applications, National Center for
Item	Data Networking Equipment for the new NCSA building at the Urbana campus
Cost	\$813,000 - f.o.b. delivered (estimate)
Vendor	SBC Global Services, Springfield, IL

The award evaluation was based on a total points assessment that considered technical merit, price, proposed delivery schedule, support, vendor viability, and quality of response. Results of the evaluation are summarized below. Respondents were encouraged to submit various configuration options to address the specified technical requirements.

<u>Bids Received</u>	<u>Point Summary of Proposals</u> (Maximum Score of 8000)
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SBC, (Cisco brand) Springfield, IL	
Configuration 1	6548
Configuration 2	6317
Configuration 3	6298
CCC Technologies, Elk Grove, IL	5090
Configuration 1	
CDS Office Technologies, Springfield, IL	4650
Configuration 1	
Foundry Networks, Oakbrook, IL	
Configuration 1	4453
Configuration 2	4100

21 other firms were invited to bid but did not respond

NCSA's Network Engineering Group (NEG) is responsible for design, implementation, and support of NCSA's network infrastructure. This equipment will be utilized by the NEG in the new building in conjunction with existing equipment currently in use at other NCSA locations to optimize the high-speed network performance and reliability.

The estimated amount is based on the pre-completion configuration schematic for the new NCSA building and the final cost may vary (increase or decrease by up to 10%) based on final configurations as installed.

Unit Risk Management, University Office of

Item Student Health Insurance for the UIUC academic year 2005/2006 with options to renew for nine additional one-year periods at an increase that shall not exceed 15% for each renewal period, subject to a continuing need, the availability of funds, and with the Comptroller authorized to exercise such options.

Cost \$10,481,208 (estimated)

Vendor Student Resources Division of MEGA Life and Health Insurance, St. Petersburg, FL

Other Respondents: Estimated Amount

Chickering Group, Cambridge, MA \$13,622,922

Collegiate Risk Management, Tarpon Springs, FL \$15,861,942

Associated Insurance, Prospect Heights, IL \$16,785,756

47 other brokers and insurance companies were invited to submit Requests for Proposals; 44 did not respond, 1 response was for only a vision plan, and 2 others were rejected as not meeting specifications (one limited non-emergency services to only their facilities and the other has no experience writing student health insurance policies).

Selection of the carrier was based on the rates for the benefits offered, the ability for the University to continue to process claims, the proposal that best complied with the RFP specifications, and the Proposer's qualifications and organizational capability.

Both undergraduate and graduate students are required to either pay the student health insurance fee or document that they have other health insurance coverage equivalent to the University plan. The proposed fees the students will pay for the 2005/2006 academic year will be forwarded in another action item.

The estimated expenditure is based on program participation in the 2004/2005 academic year. Each academic year's cost will vary based on student participation and any option year rate increases.

The abridged benefit levels listed below were selected to highlight major coverage areas. A more comprehensive listing of benefit levels is available upon request.

CORE Plan - Base plan for all undergraduate and graduate students as well as participating dependents.

- o Maximum benefit: \$200,000 for each injury or sickness

- Psychiatric and Substance Abuse Maximum Lifetime Benefit: \$20,000 Inpatient and Outpatient
- Hospital: \$100 deductible and then 80% U&C for the first \$10,000, and then 100% thereafter
- In-hospital physician: 80% U&C
- Surgery: 80% U&C
- OP Illness and Accident: \$150 Deductible.
- OP Diagnostic Procedures: 80% U&C, sub limits on CT & MRI
- OP Psychiatric: 50% of the charge up to \$35/day
- Ambulance: 80% of U&C
- Outpatient Deductible: \$200 per policy year
- Inpatient Deductible: \$100 per policy year
- Prescription discount card for spouse and dependents
- Medical Evacuation: Unlimited
- Repatriation of Remains: Unlimited

WRAP Plan - This plan offers additional coverage to the CORE plan and is limited to graduate students and participating dependents of graduates.

Enhancement of CORE plan benefits to the following limits:

- Maximum lifetime benefit: \$1,000,000
- Psychiatric and Substance Abuse Lifetime limit: \$100,000
- OP Illness and Accident: Deductible: \$150 per policy year for student and \$200 per policy year for dependents
- OP Psychiatric: \$100,000 inpatient and outpatient
- Out-of Pocket Maximum (annual): \$1,800 per person and \$3,600 per family
- Prescription discount card for spouse and dependents

SUMMARY OF PURCHASES	
(Rounded to Nearest Dollar)	
Recommended from Appropriated Funds	
Recommended from Institutional Funds	15,954,988.00
Grand Total	15,954,988.00
Chicago Campus	
Springfield Campus	
University Administration	
Urbana-Champaign Campus	15,954,988.00