

ROLL CALL

PURCHASE AND RENEWAL RECOMMENDATIONS

The "Purchase 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 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

1 Unit Campus Information Technologies and Educational Services (CITES)

Item Centrex-based (non-VoIP) telephony services for all three University of Illinois campuses for the period July 1, 2012 through June 30, 2015, 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 \$5,350,000 (estimated)

Renewal Option:	
July 1, 2015 to June 30, 2017	\$2,332,000 (estimated)

Vendor AT&T, Lisle, IL

Competitive selection procedures were followed in accordance with the Illinois Procurement Code. Only the incumbent vendor submitted a proposal. Other vendors downloaded the RFP but did not submit proposals due to the significant infrastructure investment needed to deliver the desired services. As the incumbent vendor, AT&T already has the required infrastructure in place and can offer its services without any additional investment costs.

All three University of Illinois campuses are moving to VoIP-based (Voice over Internet Protocol) telephony services, which utilize the internet to deliver voice communications. However, because the migration to VoIP may not be completed by July 1, 2012, it is necessary to continue the traditional, Centrex-based telephony services. Furthermore, services that support life safety, including elevator phone lines, blue light kiosk lines, and analog alarm lines, will continue to be served by the traditional copper-based telephony solutions.

The vendor has agreed to continue the pricing schedule that is currently in place and will hold prices firm for the initial three year period. The vendor's pricing is approximately 20% less than the current contract between AT&T and the State of Illinois and is considered fair and reasonable.

Chicago Campus

2	Unit	University of Illinois Hospital & Health Sciences System (UIHHSS)
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Item	Medical coding services including, but not limited to, coding for provider-based clinics, emergency room, psychiatry, Federally Qualified Health Center, and annual integrity review, on an as-needed basis for the period beginning July 1, 2012 through June 30, 2015, with the option to renew for two additional twelve-month periods at the same terms and conditions. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.
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Cost	\$13,653,400 (estimated)
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Renewal Options:	
July 1, 2015 through June 30, 2016	\$4,550,000 (estimated)
July 1, 2016 through June 30, 2017	\$4,550,000 (estimated)

	Primary Awards		Secondary Awards			
Group 1	McKesson	\$4,387,500	Altegra	\$3,847,500	Clinical Coding	\$1,856,250
Group 2	Optum Insight	\$623,700	McKesson	\$173,250	Nicka & Associates	\$343,350
Group 3	McKesson	\$379,500	PDN	\$145,590		
Group 4	Optum Insight	\$135,000	Clinical Coding	\$64,650	McKesson	\$67,500
Group 5	McKesson	\$235,800	Clinical Coding	\$589,500	Optum Insight	\$308,898
Group 6	UASI	\$46,500	Pyramid	\$44,850		
Group 7	Optum Insight	\$624,353	Altegra	\$360,000	Crowe Horwath	\$674,700
Grand Total Primary Awards		\$6,432,353	Grand Total Secondary Awards			\$8,476,038

Vendor	Optum Insight, Hartland, WI (Groups 2,4,5,7)	\$1,691,950 est.
	Altegra Health, Los Angeles, CA (Groups 1,7)	\$4,207,500 est.
	McKesson, Alpharetta, GA (Groups 1,2,3,4,5)	\$5,243,550 est.
	Clinical Coding, North Kansas City, MO (Groups 1, 4, 5)	\$2,510,400 est.

Proposals Received

Point Summary
(Max Score of 28,000)

Optum Insight, Hartland, WI (1, 2, 3, 4, 5,6,7)	23,750
Altegra Health, Los Angeles, CA (1,2,3,4,5,6,7)	20,800
McKesson, Alpharetta, GA (1,2,3,4,5,6)	20,100
Kforce, Tampa, FL (1,2,3,4,5,6,7)	17,150
United Audit Systems, Inc., Cincinnati, OH (1,2,3,4,5,6)	16,850
Clinical Coding Solutions, North Kansas City, MO (1,2,3,4,5)	16,700
Choice RevCycle Solutions, Atlanta, GA (1,2,3,4,5,6)	15,400
Cymetrix, Irvine, CA (1,2,3,4,5)	13,200
Professional Dynamic Network, Olympia Fields, IL (1,2,3,4,6)	11,650
Diskriter HIM Solutions, Pittsburgh, PA (1,2,3,4,5,6)	11,550
NCO Healthcare Services, Horsham, PA (6,7)	4,400
Pyramid Healthcare Solutions, Clearwater, FL (6)	3,600
Crowe Horwath, Chicago, IL (7)	3,350
Nicka & Associates, Plano, TX (2)	3,350
Grant Thornton LLP, Chicago, IL (7)	3,000

Competitive selection procedures were followed in accordance with the Illinois Procurement Code. Awards are being made to a primary vendor in each of the seven project areas defined in the Request for Proposal (RFP), with secondary awards being made to additional vendors should the primary vendor not be able to provide the required services. Additional primary and secondary awards below the Board authorization level are being made to five vendors to help support the various needs of the UIHHSS. One of these vendors, Professional Dynamic Network, is a MAFBE-certified vendor.

Coding services will be provided in the following seven project areas defined in the request for proposal (RFP):

- Group 1: Professional and technical coding services for provider-based clinics covering a variety of medical and surgical sub-specialties
- Group 2: Emergency room technical coding and charge capture (and optional professional coding)
- Group 3: Psychiatry and mental health coding for outpatient professional and technical visits
- Group 4: Other hospital-based outpatient procedure services as needed
- Group 5: Federally Qualified Health Center (FQHC) coding including, but not limited to, school-based clinics, integrated health centers, and related satellite locations
- Group 6: Perform annual external review of ICD-9/10-CM and CPT coding accuracy (inpatient and outpatient)
- Group 7: Charge master and revenue integrity review

The purpose of these awards is to have coding services available in multiple areas as specific needs are identified by the University of Illinois Hospital and Health Sciences System (UIHHSS). It will ensure that coding services will be available as the need for such services increases under health care reform. Having available contracts in place allows the University to move quickly to address these needs.

The vendors above are being recommended for awards based on the quality of their technical responses to different project areas. Pricing will be based on the rates included in these awards.

3 Unit Pathology/University of Illinois Hospital & Health Sciences System (UIHHSS)

Item Transfusion medicine and blood bank services for the period beginning July 1, 2012 through June 30, 2017, with the option to renew for one additional five-year period at an increase not to exceed 6%. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$30,000,000 (estimated)

Renewal Option:

July 1, 2017 to June 30, 2022 \$31,800,000 (estimated)

Vendor The Institute for Transfusion Medicine (ITxM), Rosemont, IL

Competitive selection procedures were followed in accordance with the Illinois Procurement Code. The University received one proposal. Other vendors downloaded the Request for Proposal (RFP) but did not respond because they were unwilling to provide both the transfusion medicine and blood bank services required of the RFP.

Pathology and UIHHSS will partner with ITxM in the development of a Center for Excellence for Transfusion Medicine for the purpose of increasing the efficiency of services while providing exemplary patient care. The recommended vendor will provide Pathology and UIHHSS with on-site transfusion medicine laboratory services, staffing and management of the Blood Bank and Blood Donor Hemotherapy Center, and all human blood and blood component products. For the transfusion medicine laboratory, ITxM will perform all pre-transfusion and immunohematology (blood banking) reference testing for patients at the Hospital. In addition to the 24/7 on-site laboratory, UIHHSS will be supported by an offsite laboratory for non-time sensitive test and product requests. All therapeutic apheresis (blood processing and analysis) services for patients at UIHHSS will be provided and charged based on the actual type and number of procedures.

ITxM shall provide 100% of the human blood and blood component products to be used by UIHHSS and will process, store, and distribute all blood and blood components for patients. ITxM shall manage the Blood Bank and Blood Donor Hemotherapy Center and collect all blood from donors on campus. ITxM will recruit, hire, train, and provide salary and benefits to management, supervisory, and technical staff, and will operate in leased space at the Hospital for these services.

ITxM will also provide a portion of the funding to support two physician salaries and benefits for the medical direction of transfusion services and will provide financial support for a transfusion medicine fellowship.

Among the benefits of the partnership are ITxM's proven transfusion medicine testing and management expertise, as well as its ability to provide, implement, and manage information technology applications and interfaces to UIHHSS systems through its state-of-the-art automation and data management services. These technologies will improve efficiencies from donation and manufacturing to patient transfusion and care. In addition, ITxM has an established advanced education and training program that will provide blood bank training of Residents and Fellows in laboratory medicine/pathology. ITxM will use its blood donor center expertise to increase blood donations on the campus, the underserved/minority areas of Chicago, and geographic areas surrounding the campus.

The operating expenses for these services will be reduced significantly through this partnership. ITxM will meet all quality, service, and safety requirements of the Hospital, as well as all required regulatory body compliance needs.

The price is considered reasonable and acceptable based on an analysis of the department's current operating expense.

RENEWAL OPTIONS RECOMMENDED

Chicago Campus	
1	Unit
	The University of Illinois Hospital & Health Sciences System (UIHHSS), Department of Materials Management
	Item
	Renewal option to provide implantable cardioverter defibrillators (ICDs), pacemakers, leads, and ancillary items for the period beginning June 1, 2012 through May 31, 2013.
	Cost
	\$1,710,000 (estimated)
	Vendor
	St. Jude Medical, Austin, TX

This will exercise the second of three renewal options to the purchase approved by the Board of Trustees on November 12, 2009, for an estimated \$2,930,000. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

The heart rhythm products will be used by the University of Illinois Hospital & Health Sciences System (UIHHSS) for various procedures based on a patient's individual needs. An additional contract below the Board of Trustees' approval threshold was renewed for a secondary vendor to ensure that adequate devices of sufficient type and quality will be readily available to satisfy the UIHHSS's patient needs.

Both the primary and secondary vendors have agreed to hold their pricing firm through the three renewal periods indicated in the original bid.

SUMMARY OF PURCHASES	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 5,350,000
Chicago Campus	\$ 43,653,400
Recommended from Institutional Funds	
Grand Total	\$ 49,003,400
SUMMARY OF RENEWALS	
(Rounded to nearest dollar)	
Chicago Campus	\$ 1,710,000
Recommended from Institutional Funds	
Grand Total	\$ 1,710,000