

ROLL CALL

PURCHASES AND RENEWAL OPTIONS 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 University Library

Item Broker services for the selection, procurement, and cataloguing of academic books and monographic material for the period July 1, 2014 through June 30, 2017, with the option to renew for two additional three-year periods.

Cost \$5,250,000 (estimated)

Renewal Options:

July 1, 2017 through June 30, 2020 \$5,250,000 (estimated)

July 1, 2020 through June 30, 2023 \$5,250,000 (estimated)

Vendor YBP Library Services, Contoocook, NH

<u>Proposals Received</u>	<u>Point Summary of Proposals (Maximum Score of 15,000)</u>
YBP Library Services, Contoocook, NH	13,832
Ingram Couatts Info Services, La Vergne, TN	12,026

This purchase is exempt from the requirements of the Procurement Code because it is an expenditure for books procured for use by a university library. However, the department chose to competitively bid the contract in order to assure the most favorable pricing and terms for the University.

The vendor will provide services that allow for the efficient selection and ordering of books (including online books provided directly by publishers), cataloging options that allow users quick access to titles, and a state-of-the-art distribution model for print and online delivery.

The vendor's database allows users, including faculty, students, and Library staff, to easily identify and request that the Library order new academic book titles from the vendor's online catalog. Publishers continuously upload current and future titles into the vendor's catalogue, and users can easily search the database to identify all academic titles on a given subject. The Library can also use the system to request that the desired titles be ordered from the vendor's warehouse or identify another library from which the material can be borrowed.

The University was able to negotiate an additional 1% discount off the previous contract's costs.

2 Unit Utilities Administration

Item Maintenance and repair work for equipment at the Utilities Production Plants on an as-needed basis for the period July 1, 2014 through June 30, 2016, with the option to renew for four additional two-year periods. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$37,000,000 (estimated)

Renewal Options:

July 1, 2016 through June 30, 2018	\$37,000,000 (estimated)
July 1, 2018 through June 30, 2020	\$37,000,000 (estimated)
July 1, 2020 through June 30, 2022	\$37,000,000 (estimated)
July 1, 2022 through June 30, 2024	\$37,000,000 (estimated)

Vendors	Davis-Houk, Inc., Urbana, IL	\$10,000,000 (estimated)
	Kennedy Tank and Manufacturing Co., Inc., Indianapolis, IN	\$10,000,000 (estimated)
	Progress Pump & Turbine Services, Inc., Schererville, IN	\$10,000,000 (estimated)
	General Electric International, Inc., Evansville, IN	\$5,000,000 (estimated)
	International Chimney Corporation, Joliet, IL	\$2,000,000 (estimated)

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Responsive vendors meeting minimum qualifications are being offered a Job Order Contract, a non-exclusive, indefinite quantity contract against which the University may place one or more work orders on an as-needed basis.

The Utilities Production Plants are the only source of heat and chilled water for the University of Illinois Urbana-Champaign campus (UIUC). They are also the only source of electricity for a portion of the campus. It is thus vital to have contracts in place that allow the University to move quickly to address scheduled and emergency maintenance and repairs as specific needs are identified. Each of the awarded vendors will provide a quote for each job order that is requested, and the low bidder will be awarded the job. The University will not guarantee any minimum utilization or expenditures to any vendor during the proposed contract period, and vendors will be utilized strictly on an as-needed basis.

The maintenance and repair work under this agreement will include service on gas and coal boilers, gas turbines, heat recovery steam generators, ductwork, chimneys, electrical equipment, chemical systems, steam turbines, and plant auxiliary systems.

Pricing is based on the hourly rate for maintenance and repair work.

Chicago Campus

3 Unit Facilities Management

Item	Purchase and delivery of gasoline and diesel fuel for the period July 1, 2014 through June 30, 2015, with the option to renew for two additional one-year periods. Price increases for option periods one and two, on the marginal differential only, are not to exceed 8% and 10%, respectively. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.
Cost	\$2,007,000 (estimated)

Renewal Options:	
July 1, 2015 through June 30, 2016	\$2,010,000 (estimated)
July 1, 2016 through June 30, 2017	\$2,013,000 (estimated)

Vendor Cooper Oil Company, Inc., Frankfort, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Cooper Oil Company, Inc., Frankfort, IL	\$2,006,193
Mansfield Oil Company, Gainesville, GA	\$2,038,765

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

The vendor will provide and deliver various types of gasoline and diesel fuel for Campus Transportation Services, including 89 ethanol (ETOH) reformulated unleaded gas, 87 unleaded regular gas with 10% ethanol, No. 1 and No. 2 diesel fuels, B11 bio-diesel fuel, and No. 2 ultra-low sulfur diesel-dye (ULSD) off-road fuel, an emergency fuel that was not an option under the previous contract.

Pricing is indexed against established benchmarks and renewals are capped at rates favorable to the University.

4 Unit Campus Care and the Office of Managed Care

Item Administrative and management services for the Student Health Benefit Program for the Chicago, Peoria, and Rockford campuses, as well as the University of Illinois Physician Group Risk Contracts, for the period August 1, 2014 through July 31, 2018, with the option to renew for one additional one-year period. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$6,950,000 (estimated)

Renewal Option:	
July 1, 2018 through June 30, 2019	\$2,030,000 (estimated)

Vendor Apex Healthcare, Inc., Naperville, IL

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Although multiple vendors downloaded the request for proposal document, the current provider of services was the sole respondent.

The vendor will provide administrative and management services for the Student Health Benefits Plan for the Chicago, Peoria, and Rockford campuses, as well as the Physician Group Risk Contracts. The services include access

management and referral coordination, claims administration, coordination of benefits, utilization management, and customer service administration.

Pricing for the Student Health Benefits Plan is set at \$5.10 per student per month for the first year of the contract and remains unchanged from the current cost. Pricing for the Physician Group Risk Contracts are set at \$5.40 per member per month, which is lower than the current rate by \$0.21. This reduction will result in over \$40,000 in savings for the University in the first year of the contract. An annual price increase is not to exceed the Consumer Price Index or 3%, whichever is lower.

The vendor is a certified MAFBE firm, owned by an Asian-American male.

University Administration

5 Unit All University Libraries

Item Subscription services for library periodicals and serials in print and electronic format for the period July 1, 2014 through June 30, 2017, with the option to renew for two additional three-year periods.

Cost \$27,000,000 (estimated)

Renewal Options:

July 1, 2017 through June 30, 2020 \$27,000,000 (estimated)

July 1, 2020 through June 30, 2023 \$27,000,000 (estimated)

Vendors Primary: EBSCO Information Services, Birmingham, AL
\$18,000,000 (estimated)

Secondary: SWETS Information Services, Runnemede, NJ
\$9,000,000 (estimated)

Proposals Received

Point Summary of Proposals
(Maximum Score of 3000)

EBSCO Information Services, Birmingham, AL 2854

SWETS Information Services, Runnemede, NJ 2814

Otto Harrassowitz GmbH & Co. KG, Wiesbaden, Germany 2732

WT Cox Information Services, Shallotte, NC 1799

This purchase is exempt from the requirements of the Procurement Code because it is an expenditure for periodicals procured for use by a university library. However, the department chose to competitively bid the contract in order to assure the most favorable pricing and terms for the University.

2 Unit Campus Information Technologies and Educational Services (CITES)

Item Renewal option for HP network equipment purchase for the period July 1, 2014 through June 30, 2015.

Cost \$2,250,000 (estimated)

Vendor Matrix Integration, Jasper, IN

This will exercise the second of four renewal options to the purchase approved by the Board of Trustees on May 31, 2012, for an estimated \$2,250,000 for the period July 1, 2012 through June 30, 2013. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The vendor will continue to supply HP network equipment on an as-needed basis for Campus Information Technologies and Education Services (CITES) as well as other requesting campus units. This equipment is used to connect offices and laboratories to the campus network, as well as to ensure a reliable internet connection.

The contract does not guarantee a purchase or minimum dollar amount, and the estimated cost is based on historical data compiled by CITES. Pricing will continue to reflect a 60.4% discount off the HP manufacturer list price.

The vendor is MAFBE certified, owned by a white female.

3 Unit Utilities Administration

Item Renewal option for purchase of coal, including by-product waste disposal services, for the period July 1, 2014 through June 30, 2015.

Cost \$9,000,000 (estimated)

Vendor Night Hawk Coal, LLC, Percy, IL

This will exercise the second of five renewal options to the purchase approved by the Board of Trustees on May 31, 2012, for an estimated \$9,000,000 for the period July 1, 2012 through June 30, 2013. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide approximately 120,000 tons of coal for the Abbott Power Plant to be used as a primary fuel in the University boilers. The coal will be burned to produce the steam that is used to heat campus buildings. The vendor will also continue to dispose of waste, including ash, cinders, gypsum, and other by-products of the coal-burning process.

The original procurement allowed for a renewal price increase of up to \$2.00 per ton. However, the vendor has agreed to hold pricing firm, saving the University approximately \$240,000 over the renewal period.

4 Unit Roy J. Carver Biotechnology Center

Item Renewal option for DNA Analyzer Systems reagents for the period July 1, 2014 through June 30, 2015.

Cost \$3,000,000 (estimated)

Vendor Illumina, San Diego, CA

This will exercise the first of four renewal options to the purchase approved by the Board of Trustees on May 29, 2013, for an estimated \$3,000,000 for the period July 1, 2013 through June 30, 2014. The original purchase was a sole source because the items are patented, uniquely compatible with existing equipment, and the vendor is the only manufacturer and distributor.

Due to an oversight, the Urbana Purchasing Office did not note any renewal options for this award when it was approved at the May 29, 2013 Board of Trustees meeting. However, all state reporting requirements were fulfilled in accordance with the Illinois Procurement Code.

The Roy J. Carver Biotechnology Center currently owns six Illumina DNA Sequencing Instruments, which require the use of the same vendor's DNA Analyzer reagents. The instruments provide cutting-edge, 'next generation' sequencing of DNA, and each DNA run requires the use of a new reagent.

These reagents will be used by multi-disciplinary researchers in various campus departments for ongoing projects that include sequencing of small RNA, quantitative expression, de novo sequencing, and the re-sequencing of organisms for SNP (genetic markers) detection.

A volume discount of 10% off the list price has been negotiated.

Chicago Campus

5 Unit **University of Illinois Hospital and Health Sciences System (UIHSS)**

Item **Renewal option for instruments and disposable supplies for use in DaVinci surgical robots for the period July 1, 2014 through June 30, 2015.**

Cost **\$1,500,000 (estimated)**

Vendor **Intuitive Surgical, Inc., Sunnyvale, CA**

This will exercise the first of two renewal options to the purchase approved by the Board of Trustees on June 9, 2011, for an estimated \$4,500,000 for the period July 1, 2011 through June 30, 2014. The original purchase was a sole source because the items are patented and compatible with existing equipment from the same manufacturer. The vendor does not provide discounts off of the list price.

The vendor is the sole provider of instruments and disposable supplies, including drapes, probes, forceps, and needle holders, which are compatible with the University's two DaVinci Surgical Robots. The DaVinci Surgical Robots enable physicians to more precisely control smaller surgical instruments, thus minimizing trauma to the patient, improving operating time, producing faster recovery times, shortening hospital stays, and reducing post-surgical complications.

SUMMARY OF PURCHASES	
Urbana-Champaign Campus	\$ 42,250,000
Chicago Campus	\$ 8,957,000
University Administration	\$ 27,000,000
Recommended from Institutional Funds	
Grand Total	\$ 78,207,000
SUMMARY OF RENEWALS	
Urbana-Champaign Campus	\$ 26,330,000
Chicago Campus	\$ 1,500,000
Recommended from Institutional Funds	
Grand Total	\$ 27,830,000