

Board Meeting  
May 19, 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**

<b>Chicago Campus</b>	
Unit	Hospital Pathology Laboratories
Item	Estimated quantities of human blood and blood components, including all necessary screening and testing, to be purchased during Fiscal Year 2006.
Cost	\$ 2,743,066.00 f.o.b. delivered (estimated)

Vendor	American Red Cross, Madison, Wisconsin	\$1,652,286.00
	LifeSource Blood Services, Glenview	\$1,090,780.00

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Two vendors submitted bids. A dual award is being made in order to assure a supply of blood in the event of blood shortages. Since blood is donated by volunteers, shortages are not uncommon, particularly during summer months and holiday times.

When the need for blood or blood components arises, the lowest bidder for that specific item will be contacted first. If the low bidder is not able to meet our requirements, the second bidder will be contacted.

The human blood and blood components include red blood cells, platelet concentrates, plasma and other components, including all necessary testing, screening, irradiation, compatibility and HLA matching to assure patient safety. The UICMC Blood Bank will supply the human blood and blood components to the University of Illinois Hospital and clinics to meet transfusion requirements for patients with certain types of medical conditions and various types of malignancies, as well as for patients undergoing surgical procedures.

The estimated expenditure is calculated by multiplying the unit cost for blood, blood components and necessary tests by the number of units of blood or blood components required. Actual expenditures will vary depending upon actual quantities ordered.

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Unit	Hospital Radiology
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Item	Radiological fluoroscopy/tomography system consisting of the following: trolley, trendelenburg table, collimator, generator extension, keyboard, flat screen monitor, footswitch, down-scanner, digital overhead imager, software, hardware and installation.
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Cost	\$ 723,033.00 f.o.b. delivered and installed
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Vendor	Siemens Medical Solutions USA, Inc., Malvern, Pennsylvania
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Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

Seven other firms were invited to bid, but did not respond.

The equipment and related accessories being purchased comprise a two-in-one system that will allow the Department of Radiology to perform both fluoroscopic and tomographic imaging on patients. Fluoroscopy is used to image gastro-intestinal and spinal cord systems (esophagus, stomach, intestines, myelograms, etc), while the tomography system is used to image kidneys in a three-dimensional format that allows clear images of kidney diseases. This single unit will eliminate the need to maintain two separate pieces of equipment, and requires significantly less space, which is at a premium in the second floor radiological suite of the University of Illinois Hospital. In addition, the system has the ability to perform direct digital overhead imaging that provides an immediately accessible image through a connected computer monitor instead of using an x-ray cassette holder/reader located in the bed under the patient, and which requires that x-ray cassettes be removed and developed to provide a hard copy of the image.

The equipment will be used in the University of Illinois Hospital primarily for patients with gastro-intestinal, urinary and spinal cord problems.

The price is considered reasonable and acceptable.

Unit	Hospital Surgical Services
Item	Estimated quantities of miscellaneous endomechanical surgical supplies to be purchased during a three-year period beginning July 1, 2005 and ending June 30, 2008.
Cost	\$ 3,277,575.00 f.o.b delivered (estimated)
	Estimated expenditures:
	FY 06 \$ 1,092,525.00
	FY 07 \$ 1,092,525.00
	FY 08 <u>\$ 1,092,525.00</u>
	Total \$ 3,277,575.00
Vendor	Midwest Medical Supply Co., LLC. Broadview

Other Bids Received:

Estimated Expenditures

Cardinal Health Medical Products & Services, Waukegan \$ 3,309,353.60

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Three other firms were invited to bid but did not respond.

The items being purchased are used in endoscopic and laparoscopic procedures

that represent 65-70% of all general surgeries, such as gall bladder removal, colorectal surgeries, gastro bypass and hernia repair. The items include staplers, reloads, trocars (telescope/camera heads), cutters, electrosurgical suction irrigators, clips, scissors, specimen retrieval bags, graspers, endoscopic suturing devices, dissectors, and other related accessories.

The estimated expenditure is calculated by multiplying the estimated number of units by the unit price bid. Actual expenditures may vary based upon actual quantity usage.

Prices are firm for the three-year contract period and include a discount of 49.5% off the manufacturer's (Ethicon Endo-Surgery Services) list price, plus a distribution mark-up fee of 4.98%. The price also includes the no-charge provision of a dedicated, on-site representative to manage the endo mechanical inventory on a daily basis and provide information required to reorder depleted items.

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**Urbana-Champaign Campus**

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Unit	Facilities and Services Printing Department		
Item	5 Digital Production Printers, high-speed, monochrome, including delivery and installation		
Cost	\$ 992,235 outright equipment purchase – f.o.b. delivered and installed <u>909,103</u> estimated five-year maintenance/supply agreement (\$181,821 per year) \$1,901,338 estimated total		
Vendor	Xerox Corporation, Springfield		
	Other proposal received:	Estimated Five-Year Maintenance and Supply Agreement	Estimated Total
		<u>Outright Equipment Purchase</u>	<u>Estimated Total</u>
	Xerox Corporation, Springfield	\$1,146,285	\$980,792
			<u>\$2,127,077</u>

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

10 other firms were invited to submit proposals; 6 did not respond, 3 submitted “no bids”, and 1 did not meet specifications with regard to controller speed and memory (less storage); scanner workstation speed and storage size; tape binding unit; and took exceptions to the terms and conditions of the RFP including warranties, indemnification, liability, risk of loss, cancellation/termination, assignment, and default remedies.

Xerox Corporation proposed firm volume based five-year maintenance pricing as requested in the proposal and repair/service personnel will respond within two hours from Champaign-Urbana. The estimated amount shown for the maintenance and supply agreement is based upon projected volume usage.

This new equipment will replace equipment currently on rental. The new equipment will reduce the cost per page for the department by a range of approximately 15% to 19% in Fiscal Year 2006 as compared to costs in Fiscal Year 2005 with anticipated cost savings of \$118,000 per year or \$590,000 over a five-year period.

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**University Administration**

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Unit	Administrative Information Technology Services (AITS), University Office of	
Item	Purchase of additional user licensing rights to database software. Renewal of Oracle University Database Update license and support to be procured beginning June 1, 2005 and continuing through May 31, 2006 with options to renew for four additional twelve month periods, subject to availability of funds, continuing need and satisfactory performance, with the Comptroller authorized to exercise such options. Renewal options provide that update license and support fees will not increase by more than 4% over the prior year's fees.	
Cost	\$ 202,689	Additional user license fees
	\$ 44,591	Update and support fees on additional users
	<u>\$ 770,082</u>	Update and support fees on existing licenses
	\$1,017,362	Initial year of renewal
Vendor	Oracle, Chesapeake, VA	

A quotation was obtained from the proprietary owner. This purchase is exempt from the competitive bidding requirements of the Illinois Procurement Code because Oracle is the proprietary owner of the database license and therefore is the only economically feasible source for the license support services.

Sole source procedures were followed in accordance with the Illinois Procurement Code, including advertising in the Higher Education Procurement Bulletin.

In July 2000, the University selected Oracle products to establish a database management system (DBMS) standard for all the University's administrative information systems. The Oracle DBMS standard supports a very diverse set of applications and runs on multiple server platforms and operating systems. Establishing this DBMS standard for the University addressed a multitude of information technology (IT) issues including:

- reducing the operational complexity and costs of the IT environment
- simplifying the data interface between applications

- improving technical support by reducing the number of products and tools supported
- creating an environment receptive to a diverse range of purchased application software
- establishing a stable and proven base for the Banner Enterprise Resource Planning (ERP) environment

<b>SUMMARY OF PURCHASES</b>	
<b>(Rounded to Nearest Dollar)</b>	
Recommended from Appropriated Funds	
Recommended from Institutional Funds	9,662,375.00
<b>Grand Total</b>	
Chicago Campus	6,743,674.00
Springfield Campus	
University Administration	1,017,362.00
Urbana-Champaign Campus	1,901,339.00