Approved by the Board of Trustees

May 19, 2022

**26**

Board Meeting

May 19, 2022

ROLL CALL

PURCHASE RECOMMENDATIONS

Following are purchase contracts proposed by each university and the System Office. The purchases are to be funded from State appropriations or institutional funds. Unless otherwise specified or indicated, purchases are based on the lowest acceptable bid. The Interim Vice President, Chief Financial Officer, and Comptroller has approved all purchases to be funded from State appropriations in accordance with the *Bylaws of the Board of Trustees* and the *General Rules Concerning University Organization and Procedure*.

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*, the *Bylaws of the Board of Trustees*, and Board of Trustees policies and directives.

The President of the University concurs.

**PURCHASES RECOMMENDED**

**University of Illinois at Chicago**

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| 1 | Unit | UI Hospital and Clinics |
|  | Item | Purchase of Transcatheter Aortic Valve Implants |
|  | Cost | $ 6,000,000 (estimated) for the period July 1, 2022 – June 30, 2027 with no renewals  $1,200,000 (estimated) annual cost |
|  | Vendor | Medtronic USA Minneapolis, MN |

This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).

The UI Hospital performs approximately 55 Transcatheter Aortic Valve Replacement (TAVR) procedures per year. TAVR treats aortic valve stenosis, a condition in which a heart valve cannot fully open. This minimally invasive procedure is a component of UI Health’s structural heart disease treatment program as an alternative to open-heart surgery. Medtronic supplies the replacement valve and associated components for TAVR. The requested amount of $6 million over five years is based on historical spend with Medtronic, adjusted for estimated inflation and program growth. This award reflects anticipated growth from an average of 28 TAVR procedures per year using the Medtronic device to approximately 33 procedures annually.

Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the Illinois Procurement Code.

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| 2 | Unit | UI Hospital and Clinics |
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|  | Item | Temporary clinical and non-clinical staffing services to support the operations of UI Hospital & Clinics |
|  | Cost | $ 60,000,000 (estimated) for the period July 1, 2022 – June 30, 2025  with no renewals  $ 20,000,000 (estimated) annual cost |
|  | Vendor | Cross Country Staffing, Inc/Medical Staffing Network Boca Raton, FL  This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).  The UI Hospital & Clinics use temporary staffing to cover normal position vacancies, unplanned increases in volumes, and special projects to deliver medical services necessary for patient care and treatment. Over the last three years, temporary staff was also used to support the COVID pandemic, work stoppages, and the Epic Electronic Health Record system go-live. Positions filled include registered nurses, certified nursing assistants, lab and imaging technicians, medical assistants, dietary and clerical staff, and locum tenens physicians. Cross Country Staffing has been a reliable source of temporary help before and throughout the COVID pandemic. We have established processes to orient and train staff assigned to the Hospital & Clinics. The previous $30 million award to Cross Country was approved in January 2021 and will expire on June 30, 2022. The requested annual amount of $20 million is based on historical spend with Cross Country and considers estimates of annual salary inflation, potential future COVID surges, and volume growth.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the Illinois Procurement Code. |
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| 3 | Unit | Facilities Management- Transportation Department |
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|  | Item | Purchase of Solid Waste Disposal Services includes the removal of solid waste stored in 70+ containers across various locations of the UIC campus from June 1, 2022 to May 31, 2027, with a one (1), five (5) year renewal option. |
|  | Cost | Initial Term: $5,220,436 (estimated)  FY22-23  $1,044,087 (estimated)  FY23-24 $1,044,087 (estimated)  FY24-25 $1,044,087 (estimated)  FY25-26 $1,044,087 (estimated)  FY26-27 $1,044,087 (estimated)  Renewal Term: $6,057,702 (estimated)  FY27-FY28 $1,096,291 (estimated)  FY28-FY29 $1,151,106 (estimated)  FY29-FY30 $1,208,661 (estimated)  FY3 FY30-FY31 $1,269,094 (estimated)  FY3 FY31-FY32 $1,332,549 (estimated) |
|  | Vendor | Allied Waste Transportation, Inc. Chicago, IL  Proposals Received: Point Summary of Proposals Maximum Score of 340  Allied Waste Transportation, Inc. 328pts  Independent Recycling Services, Inc. 282pts  Lakeshore Recycling Systems 115pts  Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30ILCS 500/20-15).  The vendor will provide expert guidance and the removal of solid waste stored in 70+ containers across various locations of the UIC campus. These services are currently being provided “in-house” by the University. UIC generates approximately 5,700 tons of solid waste and 250 tons of yard waste for composting annually.  A 5% BEP participation goal was established for this solicitation for Solid Waste Disposal Services for the UIC campus. Allied Waste Transportation Services, Inc. (D.B.A.: Republic Services) provided a Letter of Intent of 5% BEP participation to utilize the BEP vendor, DisposALL Waste Services, LLC., which will be used to transport waste to the local disposal site or landfill. |
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**CHANGE ORDER RECOMMENDED**

**University of Illinois at System Office**

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| 4 | Unit | SHIELD Illinois Deployment |
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|  | Item | Change order to increase COVID-19 Sample Collection and Courier Services awards for the current contract term through June 30, 2022. |
|  | Cost | Change Orders $6,700,000 (estimated)   |  |  |  |  | | --- | --- | --- | --- | | **Vendor** | **Renewal 1 Amount (est.)** | **Change Order Amount (est.)** | **New Total (est.)** | | Med-Call Healthcare, Inc. | $3.9M | $1.6M | $5.5M | | Onsite Innovations, LLC | $3.9M | $2.6M | $6.5M | | Transpara EHLP, LLC dba Zebra Health Solutions | $1.5M | $2.5M | $4.0M | |
|  | Vendor | |  |  |  | | --- | --- | --- | | **Vendor** | **Original Contract Board Approval** | **Renewal Board Approval** | | Med-Call Healthcare, Inc. | May 20, 2021, with update July 22, 2021 | November 18, 2021 | | Onsite Innovations, LLC | Not applicable, initial contract term did not exceed $1MM BOT approval threshold. | November 18, 2021 | | Transpara EHLP, LLC dba Zebra Health Solutions | Not applicable, initial contract term did not exceed $1MM BOT approval threshold. | November 18, 2021 |   The purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30 ILCS 500/1-13).  These contracts are for the collection of saliva samples for COVID-19 testing and courier services with the three vendors identified above.  The change orders identified are required due to the increased volume of samples collected and transported due to increased testing during the Omicron variant outbreak. SHIELD also terminated collection/courier service agreements with two other providers (Murker Logistics and Visit Healthcare), requiring increased collection/courier services from these three providers.  All values are estimated. Actual spend will be determined by the volume of COVID-19 testing conducted through the fiscal year’s end. It is important to note that vendors will not be paid unless specimens are collected and delivered to a SHIELD lab for testing. Costs for these change orders will be paid for through the SHIELD Illinois Intergovernmental Agreement (IGA) with the State of Illinois Department of Public Health (DPH) to provide COVID-19 testing to public schools (K-12), community colleges, and the general community of Illinois residents at large. At this time, SHIELD Illinois Deployment does not expect the renewal of these agreements beyond June 30, 2022.  DPH has approved all K-12 schools for free testing under the IGA, representing over 2,000,000 students across more than 4,000 locations. To efficiently collect this volume of samples and transport them to the labs from across the State, SHIELD Illinois needs these contracts with 3rd party medical services providers to conduct specimen collections and courier services. These companies will be compensated between $8.00 to $10.00 per test collected from the $15.00 per test allocated to SHIELD Illinois by DPH.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the IL Procurement Code. |
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**University of Illinois at Urbana-Champaign**

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| 5 | Unit | Office of the Chancellor/Office of the Provost |
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|  | Item | Furnish assistance in implementing a campus-wide plan to improve administrative processes and organizational transformation for the period May 28, 2021 through June 30, 2023 |
|  | Cost | $1,600,000 (Estimated)   |  |  |  |  | | --- | --- | --- | --- | | **Fiscal Year** | **Original Amount (est.)** | **Change Order Amount (est.)** | **New Total (est.)** | | FY21 & FY22 | $1,034,528 | $1,600,000 | $2,634,528 | |
|  | Vendor | Huron Consulting Services, LLC, Chicago, IL  Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.  Operational Excellence @ Illinois emerged from the Next 150 Strategic Plan and is a university-wide initiative to streamline, innovate, reduce costs, improve services, and coordinate administrative processes at all levels. The university initiated the Operational Excellence @ Illinois initiative in May 2021 by partnering with Huron Consulting to advance our administrative services in five specific areas: 1) Human Resources, 2) IT & Data, 3) Budget & Procurement, 4) Marketing & Communications, and 5) Physical Space. The initiative is being led by the Operational Excellence @ Illinois Task Force, which includes senior university leadership from each functional area. The first two phases, *Decide* and *Imagine*, have been completed, and this request is to engage Huron in the next phase, the *Detailed Design* phase.    During the *Imagine* and *Decide* phases, five work teams were formed, comprised of faculty and staff from across campus. The goal was to identify opportunities for strategic or operational improvements in organizational structures, service delivery, business process, technology enablement, and talent pools. More than 75 prioritized recommendations for improvement emerged from these teams.  The current change order request will take us through the *Detailed Design* phase, with a narrowed scope focusing on HR and IT. We plan to partner with Huron in these two areas where the most significant opportunities for cost savings and improvements exist. We will then take on the remaining functional areas internally, utilizing a newly formed Strategic Project Management Office and existing human resources. Leveraging Huron support for the areas of HR and IT increases the likelihood of success for these two highly strategic areas and provides a blueprint for in-house implementation of the remaining functions.  During the *Detailed Design* phase, Huron will support Illinois in designing service structures and articulating the roles and responsibilities necessary to achieve operational excellence through the new operating model and recommendations outlined in the *Imagine* and *Decide* phases. This support is needed to ensure a successful transformation that minimizes potential risk, effectively addresses stakeholder concerns, provides collaboration across the colleges and units, and clearly outlines the future impact on colleges, units, and employees.  A goal of the initiative is to reduce salary costs in these areas by 10-15% through a reduction of staff FTE from efficiencies gained, which can be redirected to increased capacity and/or savings. Based on these reductions the projected annualized return on investment over five years across all five functional areas through the final *Implementation* phase (the last remaining phase after *Detailed Design*) is estimated at 18-28%. Though we have not yet reached the final *Implementation* phase of the initiative, we are confident this work will reduce duplicated efforts, streamline processes, and create resource centers across administrative services, resulting in the projected savings.  Operational Excellence @ Illinois constitutes transformational change, leading to financial efficiency gains and non-monetary benefits that will enhance institutional missions and employee engagement.  Spend for the project occurred in FY21 & FY22, therefore there was no spend exceeding $1,000,000 in any single fiscal year, thereby not needing BOT approval.  Huron Consulting is utilizing a BEP vendor for 8% of the value of the project. |
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| **SUMMARY OF PURCHASES** | |
| University of Illinois at Chicago | $71,220,436 |
| Recommended from Institutional Funds  Grand Total | $71,220,436 |
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| **SUMMARY OF CHANGE ORDER** |  |
| University of Illinois System Office | $ 6,700,000 |
| University of Illinois Urbana-Champaign | $ 1,600,000 |
| Recommended from Institutional Funds  Grand Total | $ 8,300,000 |
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