

Approved by the Board of Trustees
May 21, 2020

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Board Meeting
May 21, 2020

ROLL CALL

PURCHASE RECOMMENDATIONS

The "Purchase Recommendations" are presented by University 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 university.

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 Interim Assistant Vice President for Procurement Services has proposed, and the Vice President, Chief Financial Officer and Comptroller 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

University of Illinois at Urbana-Champaign

1 Unit School of Chemical Sciences

Item Digital Nuclear Magnetic Resonance (NMR) Spectrometer System

Cost \$1,319,305 (estimated)

Vendor Bruker Corporation/ Bruker Biospin, Billerica, MA

This purchase is a sole source because the items are required for research and no other source is able to meet the researcher's documented need.

The SCS NMR (Nuclear Magnetic Resonance) Lab serves over 460 registered users and 75 faculty groups across the UIUC campus, reflecting the vital role of NMR in chemical investigation. NMR is an indispensable tool in chemistry for which no other method of analysis can be substituted. The structures, reactions, and character of new or existing chemical substances or events can only be competently investigated and thoroughly evaluated using the powerful analytical method of NMR. Nearly all fields of chemical investigation, including academic research, are entirely dependent on NMR. Mass spectrometry and x-ray crystallography are complementary analytical approaches, but NMR still makes a unique contribution to the scientific inquiries of chemistry.

The NMR Spectrometer System has four important, distinct features to significantly add to the departments abilities in unique ways. Cryogen NMR Probe, providing enhanced sample sensitivity, which speeds data acquisition and sample throughput. Currently, the lab is dependent on 5 NMR machines that are more than 20 years old. Broad-Temperature NMR probe with special decoupling that provides back-up and alternative approach compared to the cryogen NMR probe. Fast Mixing Module, which allows, for the first time, direct observation of how reactions begin. Lastly, Control Console, which is the heart of the NMR spectrometer, and the key to control all experimental parameters.

2 Unit Disability Resources & Educational Services

Item Furnish & Deliver Paratransit Buses

Cost \$1,405,485 (estimated)

Vendor Creative Bus Sales, Inc.,

Bid Received	Total Estimated Cost
Creative Bus Sales, Inc.	1,406,485.00

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

The vendor will provide five (5) new, unused paratransit buses with the capacity to transport a maximum of 23 passengers per bus. Each bus conforms to standards for vehicles of this type as outlined by the American Disabilities Act and Federal Motor Vehicle Safety Standards.

The buses primarily serve the purpose of transporting students with physical and temporary disabilities daily to and from campus buildings from classes and other University functions. DRES buses accommodated 20,000 trips for Fiscal Year 2018 by 55 DRES registered students. Enrollment by students with physical and temporary disabilities has continued to increase over the last 10 years, as a result, the anticipated ridership is projected to increase. The busses currently in service, were not designed to hold many students with temporary disabilities with only four passenger seats available. In addition, the entry point for passengers is not equipped to handle users in manual chairs with ease as there are no grab bars and the interior floor has a graduating slop, making it difficult to navigate without assistance.

University of Illinois at Chicago

1 Unit UI Health

Item Temporary agency staffing for Registered Nurses, Licensed Practical Nurses, Radiology Technicians, Laboratory Technicians, Certified Nursing Assistants, Environmental Services Staff, Medical Technologists to fill vacancies in order to provide clinical and support services to our patients. In addition to normal vacancies, additional temporary staff is needed to respond to the COVID-19 disaster and will also be needed to support and augment our Epic go-live in September 2020.

Cost \$20,000,000.00 (estimated)

Vendor Cross Country Staffing, Incorporated, Boca Raton, Florida

Renewal options: None

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

Business Enterprise Program (BEP) goals are not established for contracts which are exempt from the requirements of the IL Procurement Code

University of Illinois System Offices

1 Unit Administrative Information Technology Services

Item Maintenance of Banner Baseline ERP Software for the period July 1, 2020 through June 30, 2025

Cost \$5,888,214.00 (estimated)

Vendor Ellucian Company L.P., Reston, VA

This is a new sole source purchase for a five-year agreement to provide maintenance for Banner baseline ERP software. This purchase is a sole source because the items are proprietary to Ellucian and therefore no other vendor has the rights to or access to the source code and therefore, no other vendor is able to provide support and maintenance on the software.

Banner Baseline ERP Software is currently the system of record for the University System. The maintenance includes, but not limited to, Banner Student Self-Service, Banner Faculty Self-Service, Banner Financial Aid, Banner Financial Aid Self-Service, CSS Profile for Financial Aid, Banner Finance, Banner Human Recourses, Banner Document Management Suite, Banner Integration for eLearning, Banner Integration for eProcurement, and Banner Integration Technologies.

On-going Maintenance provided by Ellucian also provides mandatory upgrades throughout the contract term. These upgrades are critical to ensure the system is running the most up to date versions which include federally mandated releases for Financial Aid and State/Federal tax upgrades.

Ellucian has agreed to hold pricing over the life of this proposed award to no more than a 5% increase.

University of Illinois Springfield

1 Unit UIS Human Resources

Item Purchase of student accident and illness insurance plan for the period of August 16, 2020 through August 15, 2021 (no renewals)

Cost \$1,600,000 (estimated)

Vendor Academic Health Plans (Blue Cross Blue Shield plan), Grapevine, Texas

Vendor	Technical Score (Max 1,000)	Pricing Score (Max 300)	Combined Score (Max 700)	Rank
Academic Health Plans/Blue Cross Blue Shield IL, Grapevine, Texas	675.18	265.89	941.07	1
Academic Health Plans, AETNA, Grapevine, Texas	581.71	300	881.71	2
Academic Health Plans, United Healthcare, Grapevine, Texas	572.39	293.189	865.57	3
Academic Health Plans Wellfleet, Grapevine, Texas	552.46	259.86	812.33	4

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

Academic Health Plans will provide a student accident and illness insurance plan to the University of Illinois Springfield for the period of August 16, 2020 through August 15, 2021 (Fall 2020, Spring 2021 and Summer 2021 semesters).

A Best and Final Offer was negotiated and cost savings are estimated at \$64,956.00 for the life of the contract.

	Fall Semester 2020	Spring Semester 2021	Summer Semester 2021	Total Annual
Per individual enrollee	\$ 832.00	\$ 832.00	\$ 416.00	\$ 2,080.00

RENEWAL OPTIONS RECOMMENDED

University of Illinois Urbana-Champaign

1 Unit UIUC Campus Auxiliary Services

Item Renewal option for Student Health Insurance and routine administrative services, including claims adjudication and claim payments for the Urbana-Champaign campus students for the period August 21, 2020, through August 20, 2021.

Cost \$36,000,000 (estimated)

Vendor United Healthcare Services Inc., St. Petersburg, FL

This will exercise the fifth of eight renewal options approved by the Board of Trustees on March 12, 2015, for an estimated \$25,000,000 for the period August 21, 2015, through August 20, 2016. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide student health insurance as well as routine administrative services, including claims adjudication and claim payments through a Student Health Insurance Plan (SHIP) designed as a preferred provider organization (PPO) model that must offer two levels of coverage payment of 80% of usual and customary charges for non-network providers, and 80% of the preferred allowance for in-network providers.

The University requires all registered students either participate in the University of Illinois at Urbana-Champaign (UIUC) Student Health Insurance Plan (SHIP) or provide proof of comparable insurance, called a hard waiver. The University assesses the SHIP fee each semester and the University subsequently provides an electronic submission of eligible students to the insurance company. The vendor will handle enrollment of spouse and dependents and premium collection.

The vendor has demonstrated satisfactory performance in fulfilling the terms and conditions of their contract. Renewal pricing is based on negotiations between the University and vendor and on the overall loss ratio and the estimated number of enrolled students for Fall 2019, Spring 2020 and Summer 2020 semesters based off historical data.

Item Renewal option for Marketing and Delivery Services for Large-Scale, Low-Cost Online Degree Programs for the period September 1, 2020 through August 31, 2022.

Cost \$40,000,000 (estimated)

Vendor Coursera Inc., Mountain View, CA

This will exercise the second of two renewal options for the original purchase approved by the Board of Trustees on September 8, 2016 for an estimated \$5,000,000 for the period October 1, 2016 through August 31, 2018. This purchase is a sole source in that the vendor has a proprietary learning management system which readily handles well of 100,000 learners per course and has the expertise in market data analytics to better identify students interested in degree programs.

The proposed sole source purchase will provide the University with a unique combination of marketing, learner support and content delivery services in order to offer large-scale, high-quality online degree programs, primarily at the graduate level, at much lower cost to students than comparable conventional programs.

While a conventional master's degree program might enroll 100 to 150 students, we envision enrolling as many as 3,000 students per program. This provides significant economies of scale, which allows the University to offer these programs at prices far below those of conventional degrees. To accomplish this the University needs specialized marketing services, a high-volume learning management system, and learner support services.

Gaining access to this combination of marketing services, electronic course delivery, and learner support services will enable the University to offer high-quality degrees in an innovative manner. Students enrolled in these programs will benefit directly through the low tuition rates, and other University students will also benefit as the revenues from these programs help support other activities on our campus.

3 Unit Utilities Administration

Item Renewal option for purchase of maintenance and repair work for equipment at the Utilities Production Plants for the period of July 1, 2020 through June 30, 2022.

Cost \$72,000,000.00 (estimated)

Vendor Vendors were awarded as follows:

Davis-Houk, Inc., Urbana, IL \$20,000,000 (estimated)

Kennedy Tank and Manufacturing Co., Inc.,
Indianapolis, IN \$20,000,000 (estimated)

Progress Pump & Turbine Services, Inc.,
Schererville, IN \$20,000,000 (estimated)

ABB, Inc., Evansville, IN \$10,000,000 (estimated)

International Chimney Corporation,
Joliet, IL \$2,000,000 (estimated)

This will exercise the third of four renewal options to the purchase approved by the Board of Trustees on May 14, 2014 for an estimated \$37,000,000 for the period July 1, 2014 through June 30, 2016. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

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 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. 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.

University of Illinois at Chicago

1 Unit University of Illinois Hospital and Health Sciences System

Item Renewal of the pharmaceutical wholesale distributor services to support the University of Illinois Hospital & Health Sciences System, Ambulatory Care Pharmacies and Hospital outpatient clinics and retail pharmacies for the period beginning July 1, 2020 through June 30, 2022.

Cost \$219,708,342 (estimated)

Vendors McKesson Corporation

This will exercise the first of three 2-year renewal options from July 1, 2020 through June 30, 2022 for the purchase approved by the Board of Trustees on July 21, 2016. The original contract term was for the period beginning July 1, 2016 through June 30, 2020 in an estimated amount of \$612,440,163.

McKesson Corporation provides discounted pricing for 340B pharmaceutical products based on the Federal Government guidelines for dispensing of drugs to under-served patients at Disproportionate Share Hospitals (DSH) and Federally Qualified Health Centers (FQHC). The award also provided for non-340B and specialty drugs at wholesale pricing.

McKesson has agreed that there will be no price increase for the first renewal period.

The vendor has demonstrated satisfactory performance in maintaining adequate stock and compatibility of equipment, efficient and effective drug purchase dispensary process and inventory management to provide pharmaceutical wholesale distributor services to support the University of Illinois Hospital & Health Sciences System at a discounted rate of 5.95% off list price.

McKesson has taken steps to be in compliance with the BEP Act (30 ILCS 575).

For the contract renewal period a new determination of BEP goals was assessed. The new goal was based on the scope of work review in the area for pharmaceuticals, crating & packing, courier & delivery and trucking. After review, the overall projected BEP participation goal is set at 1%.

McKesson is committed to utilizing these BEP vendors: Action Health, Continental Transportation Solution aka CTL Global Solutions, and Emed Medical Company, to be in compliance with the 1% BEP goal for the contract renewal period.

McKesson will continue to engage in ongoing good faith efforts to find, assist and utilize BEP vendors from which McKesson can legally purchase 340B pharmaceutical products based on the Federal Government guidelines for dispensing of drugs for Disproportionate Share Hospitals (DSH) and Federally Qualified Health Centers (FQHC), that satisfy manufacturers' limitations on subcontracting single-source branded pharmaceuticals, and meet the Business Enterprise Program Act and federal legal requirements for businesses which perform a commercially useful function.

2 Unit University of Illinois Hospital & Health Sciences System Reference Laboratory

Item Contract Renewal to provide medical courier services to the University of Illinois Hospital & Health Sciences System (UI Health), Reference Laboratory for the period beginning July 1, 2020 through June 30, 2022. This renewal is subject to continuing need, availability of funds, and satisfactory performance

Cost \$2,500,000 (estimated) July 1, 2020 through June 30, 2022

Vendors Medspeed, LLC Elmhurst, Illinois

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Seventeen firms were solicited, with one response received. The original contract was approved by the Board of Trustees on July 13, 2017 for the period July 15, 2017 through June 30, 2020.

Medspeed, LLC is the only known firm that can provide specimen medical courier services to all required 529 locations throughout Illinois and surrounding areas.

This contract renewal is being recommended based on the satisfactory performance of Medspeed, LLC and the continued need for support to the Reference Laboratory for their on-going specimen courier service needs.

The pricing for the courier services is based on the total cost of the entire network route of healthcare, clinical, surgical center, hospital, and correctional center locations.

In regard to BEP Act (30 ILCS 575), a BEP Utilization Plan was provided for this renewal and Medspeed has requested a waiver of the BEP goal. Please note that at the time of award of this solicitation, there was no requirement for inclusion of a Utilization Plan, as this contract pre-date's the requirements that were made to the BEP Act as a result of SB262/PA 100-039 adding Section 8i.

CHANGE ORDER RECOMMENDED

Chicago Campus

1 Unit UI Health Administration

Item Change order to increase the existing contracts for implementation of the 3i initiative due to extending the Epic go-live date caused by the COVID-19 pandemic.

Cost \$4,497,087(estimated)

Original Amount (estimated)	Change Order (estimated)	New Total (estimated)
\$42,991,009	\$4,497,087	\$47,488,096

An increase of \$4,497,087 is required in order to continue the implementation services which have been postponed by four (4) months due to the COVID-19 pandemic. This postponement necessitates the need for additional professional services to implement plans for the project activities such as At-the-Elbow support and training, which accommodates new social distancing guidelines and could not be foreseen at the time of the prior change order

Vendor Nordic Consulting Partners, Madison, WI
 Impact Advisors, Naperville, IL
 Deloitte Consulting, Chicago, IL
 The CSI Companies, Jacksonville, FL
 Huron Consulting Group, Chicago, IL
 The CJS Solutions Group dba The HCI Group, Jacksonville, FL

Leidos Health, Westfield, IN

An initial award was approved by the Board of Trustees on November 15, 2018 for an estimated \$27,063,000 for the period January 1, 2019 through December 31, 2020, with the option to renew for two additional twelve-month periods. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code. On November 14, 2019 a change order in the amount of \$15,928,009 was issued to provide for 24/7 coverage, after UI Health determined that original estimates were based on consultants working 40 hours per week, and should have been based on number of shifts, rather than number of consultants. The University also had some unforeseen additional consultant needs to supplant Full Time Employees (FTE) that left the organization throughout the original project timeframe. COVID-19 pandemic was unforeseen and the impact on delayed implementation and need for extended consultant services could not have been predicted for inclusion in the prior change order request.

This award included a 20% BEP Goal and 3% Veterans goal, which continue to be applicable to this increase.

SUMMARY OF PURCHASES	
University of Illinois at Urbana-Champaign	\$ 2,725,790
University of Illinois at Chicago	\$20,000,000
University of Illinois at System Office	\$ 5,888,214
University of Illinois Springfield	\$ 1,600,000
Recommended from Institutional Funds	\$30,214,004
Grand Total	
SUMMARY OF RENEWALS	
University of Illinois at Urbana-Champaign	\$148,000,000
University of Illinois at Chicago	\$222,208,342
Recommended from Institutional Funds	
Grand Total	\$370,208,342
SUMMARY OF CHANGE ORDER	
University of Illinois at Chicago	\$4,497,087
Recommended from Institutional Funds Grand Total	\$4,497,087