

ROLL CALL

PURCHASE 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 Roy J. Carver Biotechnology Center

Item Reagents for DNA Analyzer Systems for the period June 1, 2012 through June 30, 2013.

Cost \$3,000,000 (estimated)

Vendor Illumina, San Diego, CA

This purchase is a sole source because the items are patented, uniquely compatible with existing equipment, and the vendor is the only manufacturer and distributor.

The Roy J. Carver Biotechnology Center currently owns four Illumina DNA Sequencing Instruments, which require the use of the same vendor's DNA Analyzer reagents. The instruments provide cutting-edge, 'next generation' sequencing technology necessary for economical high-throughput 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.

2 Unit Campus Information Technologies and Educational Services (CITES)

Item HP network equipment to be acquired for the period July 1, 2012 through June 30, 2013, with the option to renew for four additional one-year periods at the same terms and conditions. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$2,250,000 (estimated)

Renewal Options:

July 1, 2013 to June 30, 2014	\$2,250,000 est.
July 1, 2014 to June 30, 2015	\$2,250,000 est.
July 1, 2015 to June 30, 2016	\$2,250,000 est.
July 1, 2016 to June 30, 2017	\$2,250,000 est.

Vendor Matrix Integration, Jasper, IN

Bids Received

Total Estimated Cost of Sample Product Categories

Matrix Integration, Jasper, IN	\$455,400
CTG Inc. of Illinois/Novanis, Springfield, IL	\$494,500
American Digital, Arlington Heights, IL	\$506,000

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

Vendors were invited to bid on four hardware categories of HP network equipment as a means to accurately compare their pricing discounts on analogous items. Matrix Integration was able to provide a 60.4% discount off the HP manufacturer list price for these four hardware categories and is being recommended for the award.

The recommended vendor will supply HP network equipment on an as-needed basis, and the contract does not guarantee a purchase or minimum dollar amount. The estimated annual expenditure is based on historical data compiled by CITES.

The vendor is MAFBE certified.

Chicago Campus

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

Item Orthopaedic implant products for hips, knees, and shoulders for the period June 1, 2012 through May 31, 2015, with the option to renew for two additional one-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 \$4,200,000 (estimated)

Renewal Options:

June 1, 2015 to May 31, 2016 \$1,400,000 est.

June 1, 2016 to May 31, 2017 \$1,400,000 est.

Vendor DePuy Orthopaedic Inc., Warsaw, IN

This purchase is considered a sole source because the vendor has the patented implant products that meet the specifications of the surgeons as determined through clinical evaluation of patient prognosis.

The vendor will provide its patented mobile-bearing shoulder, knee, and hip implants on an as-needed basis to the University of Illinois Hospital & Health Sciences System (UIHHSS).

The vendor has extended a 25% to 30% discount per item, dependent upon the specific components required by the UIHHSS. This will result in approximately \$460,000 in annual savings off the list price.

4 Unit University of Illinois Hospital & Health Sciences System (UIHHSS)

Item Human organs, including tissue and histocompatibility testing, for accredited transplant programs for the period July 1, 2012 through June 30, 2014, with the option to renew for five additional one-year periods at the same terms and conditions. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$12,000,000 (estimated)

Renewal Options:

July 1, 2014 to June 30, 2015	\$6,000,000 est.
July 1, 2015 to June 30, 2016	\$6,000,000 est.
July 1, 2016 to June 30, 2017	\$6,000,000 est.
July 1, 2017 to June 30, 2018	\$6,000,000 est.
July 1, 2018 to June 30, 2019	\$6,000,000 est.

Vendor Gift of Hope Organ and Tissue Donor Network Inc., Itasca, IL

This purchase is considered a sole source because the vendor has been appointed by the U.S. Department of Health and Human Services (HHS) to be the only organ and tissue transplantation program for Northern and Central Illinois. Thus, it is the only certified, federally-qualified Organ Procurement Organization (OPO) in the region.

The vendor will provide a single, coordinated organ and tissue recovery program. Services will include distribution of organs according to established protocols, central histocompatibility laboratory services to provide donor matching tests, patient/donor educational programs, notification of organ availability, and assistance in securing appropriate transportation of donor organs.

5 Unit Office of Publication Services

Item Managed copier and printer program for the period July 1, 2012 through June 30, 2017, with the option to renew for one additional three-year period at an increase not to exceed 5%. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$18,650,000 (estimated)

Renewal Option:

July 1, 2017 to June 30, 2020

\$11,750,000 est.

Vendor Gordon Flesch Company, Inc., Chicago, IL

Proposals Received

Point Summary
(Max Score of 500)

Gordon Flesch Company, Inc., Chicago, IL (Option 1)	432
Gordon Flesch Company, Inc., Chicago, IL (Option 2)	422
Impact Networking, LLC, Waukegan, IL (Option 1)	322
Ricoh Americas Corporation, Buffalo Grove, IL	306
Impact Networking, LLC, Waukegan, IL (Option 2)	298
Xerox Corporation, Chicago, IL	184

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

The Office of Publications will collaborate with UIC Purchasing and the Academic Computing and Communication Center (ACCC) to centralize and more effectively manage the rental and maintenance of copiers and printers on campus. The managed copier and printer program will be used to further develop a campus-wide print and electronic document management system through the strategic placement of copiers and printers.

This purchase includes copier and printer rentals, toner and other supplies (excluding paper), complete maintenance and repair services, and all necessary software for equipment monitoring and electronic content management. The vendor will also provide recommendations on optimizing hardware allocation on campus, which will provide a reduction in both cost and waste, thus reducing the University's carbon footprint.

Pricing reflects savings of 22% over the previous contract, for an annual cost savings of approximately \$647,000.

University Administration

6 Unit Utilities Administration

Item Coal, including by-product waste disposal services, for the period July 1, 2012 through June 30, 2013, with the option to renew for five additional one year periods at the same terms and conditions. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$9,000,000 (estimated)

Renewal Options:

July 1, 2013 to June 30, 2014	\$9,000,000 est.
July 1, 2014 to June 30, 2015	\$9,000,000 est.
July 1, 2015 to June 30, 2016	\$9,000,000 est.
July 1, 2016 to June 30, 2017	\$9,000,000 est.
July 1, 2017 to June 30, 2018	\$9,000,000 est.

Vendor Night Hawk Coal, LLC, Percy, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Night Hawk Coal, LLC, Percy, IL	\$8,248,000
Capitol Sales, LLC, Springfield, IL (Option 1)	\$8,814,000
Capitol Sales, LLC, Springfield, IL (Option 2)	\$9,040,000

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. One of the vendors provided two separate bids based on the use of two different types of coal.

The vendor will 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 steam which will be used to heat campus buildings. The vendor will also dispose of approximately 35,500 tons of waste. This includes ash, cinders, gypsum, and other by-products of the coal-burning process.

The coal offered by the recommended vendor is the more efficient, low-slagging coal, and the power plant will burn less coal to acquire the same amount of steam as the coal offered by other respondents. The by-products of the low-slagging coal are also "cleaner," as they require the plant to add less limestone to the scrubbers during the flue-gas cleaning process.

Pricing for the coal includes transportation costs that are indexed to the price of diesel fuel as posted by the Energy Information Administration (EIA).

7 Unit Office of Business and Financial Services/University Sourcing

Item Janitorial supplies and products for the period July 1, 2012 through June 30, 2015, with the option to renew for two additional two-year periods. All renewals are subject to continuing need, availability of funds, satisfactory performance and Board of Trustees' approval.

Cost \$7,150,000 (estimated)

Renewal Options:

July 1, 2015 to June 30, 2017	\$5,500,00 (estimated)
July 1, 2017 to June 30, 2019	\$5,500,00 (estimated)

Vendor Laport, Inc., Chicago, IL

Proposals Received

Point Summary
(Max Score of 1,000)

Laport, Inc., Chicago, IL	960
Warehouse Direct, Inc., Mt. Prospect, IL	800
Interline Brands, Inc. dba AmSan, Herrin, IL	792

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

University Sourcing has negotiated this contract for use throughout the University. The vendor will supply janitorial supplies and products to all University units on an as-needed basis throughout the term of the contract. These supplies include window cleaner, multi-surface cleaner, floor care products, bleach, toilet paper, paper towels, hand soap, and hand sanitizer.

Pricing is based on a set rate for a list of core items, which account for 80% of the University's spend on janitorial supplies and products during the last fiscal year. For items that are not on this core list, the vendor has agreed to a percentage discount off the list price. Establishing pricing in this manner allows the University to lock-in costs for items that are routinely purchased, but still provides the opportunity to purchase additional supplies and products within the vendor's catalog.

This pricing plan reflects a 19% cost-reduction on the core-list items over the previous contract. The vendor has also offered discounts for prompt payment, e-procurement, e-invoicing, and for meeting established spend levels. It is estimated that the University will save approximately \$6,200,000 over the life of the contract.

The vendor has also provided a sustainability plan, which includes a catalog of green-certified products for use as alternate items, as requested by the request for proposal.

The vendor has agreed to use a certified MAFBE firm to provide delivery and subcontracting of janitorial supplies, resulting in approximately 22% MAFBE spend over the life of the contract. The subcontractor, Boye Janitorial of Chicago, IL, is an African-American male-owned firm.

RENEWAL OPTIONS RECOMMENDED

Urbana-Champaign Campus

1	Unit	University Libraries
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Item	Renewal option to continue broker services for the purchase of monographic material for the University Libraries for the period July 1, 2012 through June 30, 2015.
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Cost	\$3,900,000 (estimated)
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Vendor	Yankee Book Peddler (YBP) Library Services, Contoocook, NH
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This will exercise the single renewal option to the purchase approved by the Board of Trustees on January 15, 2009, for an estimated \$5,400,000 for the period July 1, 2009, through June 30, 2012. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide services that allow for the efficient selection and ordering of books, enhanced technical services for the processing of books, cataloging options that allow users quick access to titles, and a state-of-the-art distribution model for print and online delivery.

The University has been provided with supplementary services, at no additional cost, that allow faculty and students to easily identify and request new academic book titles from preselected YBP Library Services records that are loaded to the online catalog and then purchased as requested. The vendor has also provided tools that allow the Library to be more responsive to the needs of our researchers.

The vendor continues to hold pricing firm through the renewal period.

Chicago Campus

2 Unit Human Resources Department

Item Renewal option to continue temporary personnel services for the period beginning July 1, 2012 through June 30, 2013.

Cost \$2,310,000 (estimated)

Vendor Staffing Team, Chicago, IL

This will exercise the second of two renewal options to the purchase approved by the Board of Trustees on November 13, 2008, for an estimated \$7,750,000 for the period December 1, 2008, through June 30, 2011. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

The temporary personnel service contracts will continue to support the Department of Human Resources temporary staffing operations. The vendor continues to hold pricing firm through the renewal period.

Four additional contracts below the Board of Trustees' approval threshold were renewed to ensure that an adequate number of temporary service employees continue to be readily available to satisfy the University's staffing needs. Two of these additional vendors are MAFBE firms and one is a minority firm.

3 Unit Numerous Campus Units

Item Renewal option to continue cylinder gas services for the period beginning July 1, 2012 through June 30, 2013.

Cost \$1,600,000 (estimated)

Vendor Progressive Industries, Chicago, IL

This will exercise the third of three renewal options to the purchase approved by the Board of Trustees on January 17, 2008, for an estimated \$1,440,000 for the period January 21, 2008, through June 30, 2010. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

The vendor will deliver gas tanks to the building docks and to individual departmental laboratories where they will be used as-needed by each department. More than 300 campus departments will utilize these services.

The renewal represents a 3.5% increase over the previous year's costs.

The vendor is MAFBE certified.

4 Unit College of Dentistry

Item Renewal option to continue supplies and the operation of the online UIC Dental Storeroom for the period beginning July 1, 2012 through June 30, 2013.

Cost \$2,080,000 (estimated)

Vendor Henry Schein, Melville, NY

This will exercise the second of two renewal options to the purchase approved by the Board of Trustees on January 17, 2008, for an estimated \$6,000,000 for the period July 1, 2008, through June 30, 2011. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

The vendor will provide the supplies and the day-to-day operation of the UIC Dental Storeroom, which includes serving as the wholesale distributor of clinical dental supplies for the College of Dentistry. The vendor will also continue to provide all management and labor necessary to operate an efficient and economically sound dental supply chain for the College.

The vendor's fee is based on the annual quantity and type of supplies provided. It is anticipated that clinical dental supplies will continue to be utilized at approximately the same annual utilization rates of the previous three fiscal years.

The renewal amount represents an increase of 4% over the base contract, the rate agreed to in the original negotiation.

5 Unit University of Illinois Hospital & Health Sciences System (UIHHSS)

Item Renewal option to continue perioperative consulting services for the period

beginning August 1, 2012 through July 31, 2013.

Cost \$1,163,000 (estimated)

Vendor Sullivan Healthcare Consulting, Ann Arbor, MI

This will exercise the second of two renewal options to the purchase approved by the Board of Trustees on July 22, 2010, for an estimated \$1,560,000 for the period August 1, 2010, through July 31, 2011. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide consulting and supervision for perioperative services for inpatient and same-day surgical patients, Operating Room scheduling, Operating Room administration, clinical efficacy, financial management, sterilization services, and patient processing. The contract will continue to provide one dedicated project manager and up to five consultants on an as-needed basis.

The vendor continues to hold pricing firm through the renewal periods.

6 Unit Pathology Laboratories

Item Renewal option to continue laboratory courier services for the period beginning July 1, 2012 through June 30, 2013.

Cost \$2,000,000 (estimated)

Vendor MedSpeed LLC, Elmhurst, IL

This will exercise the third of three renewal options to the purchase approved by the Board of Trustees on November 14, 2007, for an estimated \$4,550,000 for the period January 1, 2008, through June 30, 2010. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

These services are for the transport of medical specimens for testing to the University of Illinois Hospital from neighboring hospitals, clinics, and other facilities.

The pricing for these services is based on total costs for the entire route network consisting of over 500 healthcare, clinical, surgical center, hospital, and correctional center locations within Illinois. The vendor is the only courier that could provide services to these locations.

The vendor continues to hold its pricing firm. Estimated cost to the University is based on the use of these services during the past fiscal year.

University Administration

7 Unit Administrative Information Technology Services (AITS)

Item Renewal option to continue maintenance and support for the Oracle Enterprise Database, Real Application Clusters (RAC), and supporting tools software for the period July 1, 2012 through June 30, 2013.

Cost \$1,200,000 (estimated)

Vendor Oracle USA, Inc., Reston, VA

This will exercise the first of three renewal options to a June 2011 purchase for an estimated \$1,151,000 for the period July 1, 2011, through June 30, 2012. Due to an oversight, the Urbana Purchasing Office did not bring forward the original contract for approval at the June 9, 2011, Board of Trustees meeting. However, all state reporting requirements were fulfilled in accordance with the Illinois Procurement Code.

The original purchase was a sole source because the items are patented and the vendor is the only manufacturer and distributor.

Oracle database products that are used throughout the University provide an enterprise service with scalable and highly reliable databases, which maximize performance and offer high availability and efficiency in database administrator productivity. Continued software maintenance for the database and supporting tools provides major product and technology updates, security alerts, critical patch updates, and technical support.

The renewal reflects a 4% increase over prior year's costs.

SUMMARY OF PURCHASES	
Urbana-Champaign Campus	\$ 5,250,000
Chicago Campus	\$ 34,850,000
University Administration	\$ 16,150,000
Recommended from Institutional Funds	
Grand Total	\$ 56,250,000

SUMMARY OF RENEWALS	
Urbana-Champaign Campus	\$ 3,900,000
Chicago Campus	\$ 9,153,000
University Administration	\$ 1,200,000
Recommended from Institutional Funds	
Grand Total	\$ 14,253,000