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| <p>Approved by the Board of Trustees May 7, 2015</p> |
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Board Meeting
May 7, 2015

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 Director of Purchases has proposed and the Vice President, Chief Financial Officer recommends the following purchase. 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

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| 1 | Unit | Administrative Information Technology Services (AITS) |
| | Item | Oracle software maintenance and support for the period July 1, 2015 through June 30, 2020. |
| | Cost | \$6,599,845.45 (actual) |

Vendor

Oracle America, Inc., Redwood Shores, CA

Oracle software maintenance and support services are required to provide supportive services for University systems that include high profile programs, including but not limited to, Banner and the Enterprise Resource Planning (ERP) system that require uninterrupted functionality on a daily basis. This transaction is a justifiable sole source purchase as the vendor, also the manufacturer, is the most economically feasible provider of Oracle software maintenance and support services.

Oracle maintenance and support services can be purchased either directly from the manufacturer, or through an authorized Oracle reseller. Although these resellers can sell support packages, the actual services will ultimately be provided by Oracle. In addition, by purchasing directly with Oracle, the University will receive the same price as honored to authorized resellers and avoid a 5% to 8% reseller markup cost.

The University will realize a substantial savings not only by contracting directly with Oracle, but will also avoid a 3% yearly increase in cost by entering into a contract term of five years directly with the manufacturer. The five year contract term resulted in \$165,667.74 savings.

RENEWAL OPTIONS RECOMMENDED

Urbana-Champaign Campus

1 Unit Roy J. Carver Biotechnology Center

Item Renewal option for purchase of Reagents for DNA Analyzer Systems for the period July 1, 2015 through June 30, 2016.

Cost \$3,000,000 (estimated)

Vendor Illumina, San Diego, CA

This will exercise the second of four renewal options 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. This purchase is a sole source since 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 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 DNA, quantitative expression, de novo sequencing, and the re-sequencing of organisms for SNP (genetic markers) detection.

Negotiations resulted in a 10% discount on the majority of items and discounts ranging from 5% to 18% on the remaining items.

2 Unit Campus Information Technologies and Educational Services (CITES)

Item Renewal option for purchase of Centrex-based (non-VoIP) telephony services for all three University of Illinois campuses for the period July 1, 2015 through June 30, 2017.

Cost \$4,600,000 (estimated)

Vendor AT&T, Lisle, IL

This will exercise the first of one renewal option approved by the Board of Trustees on March 15, 2012, for an estimated \$5,350,000 for the period July 1, 2012 through June 30, 2015. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

All three University of Illinois campuses are moving to VoIP-based (Voice over Internet Protocol) telephony services, which utilize the internet to deliver voice communications. However, until the migration to VoIP across all campuses is completed, it is necessary to continue the traditional, Centrex-based telephony services. Furthermore, services that support life safety, including elevator phone lines, blue light kiosk lines, and analog alarm lines, will continue to be served by the traditional copper-based telephony solutions.

AT&T's proposal included a sliding scale pricing of base service per active phone line and separate pricing for optional features per line. That pricing was the same as existing pricing and was held firm for the initial three year period and the renewal period.

3 Unit Office of Business and Financial Services/University Strategic Procurement

Item Renewal option for purchase of janitorial supplies and products for the period July 1, 2015 through June 30, 2017.

Cost \$5,825,000 (estimated)

Vendor Laport, Inc., Chicago, IL

This will exercise the first of two renewal options approved by the Board of Trustees on May 31, 2012, for an estimated \$7,150,000 for the period of July 1, 2012 through June 30, 2015. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

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, but are not limited to, 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.

The vendor provides 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 utilizes certified Minority and Female Business Enterprise (MAFBE) firms to provide delivery and subcontracting of janitorial supplies, resulting in approximately 22% MAFBE spend over the life of the contract.

This renewal reflects a 1.5% further cost reduction over the initial contract. The vendor also continues to offer discounts

for prompt payment, e-procurement, e-invoicing, and for meeting established spend levels. It is estimated that the University will save approximately \$1,000,000 over the life of the renewal.

Chicago Campus

4 Unit University of Illinois Hospital & Health Sciences System

Item Renewal option for purchase of DaVinci Surgical Robotic instruments and disposables for utilizing the DaVinci robot for the renewal period of July 1, 2015 through June 30, 2016.

Cost \$1,500,000 (estimated)

Vendor Intuitive Surgical, Inc. (Intuitive), Sunnyvale, CA

This will exercise the second of two renewal options 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 since 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.

5 Unit University of Illinois Hospital & Health Sciences System

Item Renewal option for purchase of human organs, including tissue and histocompatibility testing for accredited transplant programs on an as-needed basis beginning July 1, 2015 through June 30, 2016.

Cost \$6,000,000 (estimated)

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

This will exercise the second of five renewal options approved by the Board of Trustees on May 31, 2012, for an estimated \$12,000,000 for the

period July 1, 2012 through June 30, 2014. This purchase was considered a sole source since 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 continue to provide a single, coordinated organ and tissue recovery program on an as-needed basis. 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.

| SUMMARY OF PURCHASES | |
|--------------------------------------|------------------|
| Urbana-Champaign Campus | \$ 6,599,845.45 |
| Recommended from Institutional Funds | |
| Grand Total | \$ 6,599,845.45 |
| SUMMARY OF RENEWALS | |
| Urbana-Champaign Campus | \$ 13,425,000.00 |
| Chicago Campus | \$ 7,500,000.00 |
| Recommended from Institutional Funds | |
| Grand Total | \$ 20,925,000.00 |