

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**

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<b>Chicago Campus</b>	
1	Unit Hospital Radiology
	Item Hardware and software upgrade to existing ultrasound diagnostic imaging system, including installation and training.
	Cost \$329,556 f.o.b. delivered and installed

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Vendor Siemens Medical, Malvern, PA

This purchase is considered a sole source because the hardware and software upgrade is to an existing clinical system originally purchased from Acuson (later acquired by Siemens). There is no other vendor who is qualified to provide the required upgrade to the medical center's existing mission critical system. The diagnostic imaging system (called KinetDx) is a system that acquires and stores ultrasound images. The images are then available for viewing for diagnostic interpretation by physicians and clinicians in Radiology, Cardiology and Ob/Gyn.

The hardware is covered by FDA 5-10K clearance for product regulation and, as a result, can not be provided for this upgrade by any other vendor. In addition, the software that supports this system is proprietary information created, maintained and updated by Siemens. It is not a product that is carried or sold by any other vendor or supplier due to its proprietary nature. In order to assure complete hardware and software compatibility, both of these components must be purchased from the same firm.

The upgrade includes software that will minimize system produced errors and downtime, which is critical since the system must be available to physicians and clinicians on a 24x7 basis. In addition, the current software has known bugs that require manual processes by staff. The current system does not have the capacity to do automatic system backups, again requiring manual intervention. Additional hardware (workstations) is also required due to growing demand by end users. As more and more ultrasound images are acquired, physicians are being forced to wait for available workstations to view images and record their reports. This leads to reduced turn-around time that could have a negative impact on prompt and appropriate patient care.

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2 Unit Hospital Surgical Services

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Item Estimated quantities of miscellaneous surgical sutures to be purchased during a 32-month period beginning November, 2005 and ending June 30, 2008, with the option to renew at the same prices, terms and conditions for one additional two-year period, subject to continuing need and availability of funds, with the Comptroller to exercise such option.

Cost \$ 2,000,000 f.o.b delivered (estimated)  
Estimated expenditures:

FY 06 \$ 500,000 (8 months)  
 FY 07 \$ 750,000 (12 months)  
 FY 08 \$ 750,000 (12 months)  
 Total \$2,000,000

Vendor Midwest Medical Supply Co., LLC. Broadview, IL

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Seven other firms were invited to bid; two submitted "no bids", three did not respond, and two failed to meet specifications to provide a response in accordance with the bid format.

The items being purchased are various types and sizes of surgical sutures used in all surgical procedures for wound closures in the University of Illinois Medical Center Operating Room.

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 initial contract period and the one two-year option period, and include a discount of 47.2% off the manufacturer's (Ethicon) list price.

3 Unit Hospital Department of Pathology, Core Laboratories

Item Three (3) CBC Hematology Analyzers, 5 years of estimated quantities of consumable reagents/supplies, 2.5 years warranty and 5 years of extended maintenance to be purchased during a five and a half-year period beginning January 1, 2006 and ending June 30, 2011, with the option to renew at the same prices, terms and conditions for two additional one-year periods, subject to continuing need and availability of funds, with the Comptroller to exercise such option.

Cost \$ 1,449,017 f.o.b delivered (estimated and including the two option years)

Vendor Bayer HealthCare, Diagnostics Division, Tarrytown, NY

Other Bid Proposals Received:

Abbott Laboratories, Inc., Abbott Park, IL \$ 1,741,635  
 f.o.b. delivered

Beckman Coulter, Inc., Fullerton, CA  
f.o.b. delivered

\$ 1,831,107

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

The three bids received were reviewed by a committee consisting of directors, managers, supervisors, and testing staff from within the department of Pathology/Core Laboratories. The recommended vendor, Bayer HealthCare, Diagnostics Division, was consistently rated by the Evaluation Committee as superior to the other respondents for completeness and the comprehensiveness of their implementation plan.

The request for proposal evaluation process included formal vendor presentations, site visit demonstrations, and the issuance of best and final offers addressing pricing for instrumentation, reagent supplies, service and maintenance costs and training.

The equipment will be purchased during the first 6 month period for a fixed price of \$319,000. The balance of the estimated expenditure is calculated by adding the fixed cost of extended maintenance for a five-year period (\$47,652 per year) and estimated costs for consumable reagents/supplies for the seven-and-one-half contract period (including the two option years). Unit prices for the reagents/supplies are fixed for the entire contract period (including the two option periods). Actual expenditures for the reagents/supplies will vary based upon actual usage.

The equipment will replace three existing analyzers, two of which are 7 years old and one that is 15 years old. The equipment is used for various blood testing procedures for inpatients, outpatients, and the Pathology Laboratories outreach program (which is a revenue-generating operation).

4 Unit Hospital/ Cardiovascular Services

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Item Replacement and upgrade of single-plane and bi-plane Cardiac Catheterization Laboratories, including all necessary equipment, turnkey installation, 18-month warranty and five-year extended maintenance service, and financing of the equipment for a 7-year period with the first payment due July 15, 2006.

Cost \$ 4,470,577.50 Total project cost

\$ 2,936,056.00 Equipment cost  
\$ 430,996.50 Financing cost at 3.87% annually, in arrears  
\$ 259,325.00 Turnkey installation cost  
\$ 844,200.00 Post-warranty maintenance cost for 5 years

Vendor Philips Medical Systems, Bothell, WA

Other bid proposals received:

GE Medical System, Milwaukee WI

\$ 4,763,644.30 Total project cost

\$ 2,308,844.00 Equipment cost

\$ 900,000.00 Upgrade to Flat Panel Detectors

\$ 338,938.30 Financing cost at 3.87% annually, in arrears

\$ 305,332.00 Turnkey installation cost

\$ 910,530.00 Post-warranty maintenance cost for 5 years

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

A Request for Proposal (RFP) was issued and three (3) responses were received. The three responses were reviewed and evaluated by an 8-member committee that included physicians, the Director of Cardiovascular Services, the Manager of Invasive Cardiology, the Supervisor of Cardiac Catheterization Laboratories, Hospital Information Technology Systems, Clinical Diagnostics and the Purchasing Division. The initial technical review revealed that one bidder, Toshiba, failed to meet several critical specifications, including the requirement for flat panel digital detector technology; instead they quoted older, outdated image intensifier technology that results in lesser visualization of intracoronary stents, peripheral stents and guidewire placement. In addition, Toshiba proposed two independent c-arms for the single plane system in order to perform both cardiac and peripheral angiograms instead of the single c-arm specified; the dual arm system reduces room flexibility, complicates work flow, and affects supply storage requirements.

The RFP review for the other two bidders (Philips Medical and GE Medical) included equipment demonstrations and site visits to other hospitals/medical centers currently using this type of equipment, and two rounds of best-and-final offers to clarify equipment configuration and

capability and pricing. The recommended firm, Philips Medical Systems, submitted the best overall proposal, including meeting all technical specifications and critical time deadlines, and at a lower cost than GE Medical.

This project was begun more than a year ago after a comprehensive review of the existing Cardiac Catheterization Laboratories revealed that the current equipment is outdated and non-standardized. The replacement and upgrade of Cardiac Catheterization Laboratories equipment is required to achieve a higher level of care for our most critically ill patients and, at the same time, enhance the productivity of physicians, nurses, and clinical diagnostics staff.

The single-plane and bi-plane equipment will be acquired and installed in the first seven months following execution of contract. An 18-month warranty is effective upon acceptance of the equipment, followed by a five-year extended maintenance contract. The equipment will be financed with the lowest qualified bidder awarded the IPHEC financing bid for the quarter beginning October 1, 2005 through December 31, 2005. The financing rate is expected to be 3.87% for a 7 year financing period with annual payments in arrears. The first payment will be due July 15, 2006.

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**Urbana-Champaign Campus**

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**5 Unit**      Coordinated Science Laboratory

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Item      Computing Cluster, 256 dual processor computer cluster nodes.

Cost      \$1,233,675 – f.o.b. delivered, installed, and tested

Vendor      Hewlett Packard Co., Palo Alto, CA  
 The award evaluation was based on a total points assessment that considered the computer nodes, upgradeability, interconnect methods, clustering software, network-attached storage, price, assembly, support and training and warranty. Results of the evaluation are summarized below.

Bids Received

Point Evaluation of Proposals

Hewlett Packard, Palo Alto, CA	386
Team HPC, Eudora, KS	354
Laurus Technologies, Itasca, IL	270
PCPC, Houston, TX	254

11 other firms were invited to bid but did not respond to the RFP.

This system will support research efforts in the Coordinated Science Laboratory and Information Trust Institute in information security and dependability. This system will also provide additional resources to allow dedication of significant real-time and interactive capacity to research projects requiring high speed computation on large volumes of data.

6 Unit Campus Information Technologies and Educational Services (CITES)

Item 20-year Indefeasible Right of Use (IRU) for a dark fiber telecommunications ring between the University's three campuses.

Cost \$4,897,050 (estimated)

Vendor	McLeodUSA, Champaign, IL	\$3,235,090
	WilTel Communications, Bridgeton, MO	\$1,661,960

Thirty-six other firms downloaded the RFP from the Higher Education Procurement Bulletin; thirty-five did not respond and one firm failed to provide pricing information for the construction required to permit connectivity between the Springfield campus and the firm's facility. In addition, their response for the Chicago connection did not provide a diverse connection, necessary for redundancy to avoid potential downtime, between the UIC campus and the downtown Chicago fiber resources.

No single vendor can provide fiber over the entire path of the three-campus ring. The dual award to McLeodUSA and WilTel Communications will permit establishing a ring from Chicago through Urbana-Champaign, through Springfield, and back to Chicago.

McLeodUSA was the only vendor that responded with a fiber connection on the Chicago to UIUC and the UIUC to UIS paths. They can also provide fiber from the UIS campus to the WilTel point of presence in downtown Springfield.

WilTel responded with a fiber connection from its Springfield point of presence to its downtown Chicago point of presence, which when combined with the McLeod fiber connection will permit completion of the desired fiber ring.

7 Unit Campus Information Technologies and Educational Services (CITES)

Item Data Network Core and Central Distribution Equipment for the four major network nodes including one year of full on-site maintenance and support.

Cost \$896,044 – f.o.b. San Jose, CA

Vendor Foundry Networks, Inc., San Jose, CA

The award evaluation was based on a total points assessment that considered technical merit, price, customer support, delivery, returns process, vendor viability, and quality of response. Results of the evaluation are summarized below:

<u>Bids Received</u>	<u>Point Summary of Proposals</u>
Foundry Networks, Inc., San Jose, CA	9,167
SBC, Springfield, IL	8,713
Global Enterprise Tech, Inc., Cherry Hills, IL	8,662
Dell Computers, Round Rock, TX	8,502
Alcatel, Plano, TX	2,631

27 other firms were invited to bid; 26 did not respond and 1 submitted a “no bid”.

The equipment list is made up of various network switches and routers to be installed by the CITES Network Design Office (NDO) in the four major telecommunication nodes. The goal of the NDO is to use this data networking equipment for upgrading the existing core infrastructure. This equipment will be used to provide the main transport for all campus IP and Ethernet network traffic for both production and research applications.

8 Unit Materials Research Laboratory

Item Electron Beam Lithography and Nano-Engineering System

Cost \$793,100 – f.o.b. delivered and installed

Vendor Raith USA, Inc., Ronkonkoma, NY

5 other firms were invited to bid; 3 did not respond and 2 submitted no-bids.

Raith was the only respondent to this competitive solicitation for a research scale electron beam lithography and nano-engineering system. While the other firms invited to bid make production scale equipment,



they currently do not have product offerings geared towards research applications.

The RAITH system will be used to satisfy a wide range of nano-fabrication research objectives. Some of the immediate uses will be to fabricate nano-electronic, superconducting, and quantum computing devices by directly writing patterns on the substrate surface. The instrument enables the fabrication of optical lithography masks used for testing prototypes such as micro fluidic and MEMS devices as well as a variety of other nano and micro mechanisms.

This instrument will be located at the Frederick Seitz Materials Research Laboratories (FS-MRL) Center for Micro-Fabrication, which is an interdisciplinary research laboratory focused on fundamental research in materials science, and is sponsored by the Department of Energy (DOE). This new instrument will serve and be available to all other UIUC faculty and departments for a variety of materials experiments.

This offer from Raith USA, Inc. includes a \$176,000 educational discount and 3 years of warranty valued at \$147,000.

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**University Administration**

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9	Unit	Facilities Planning and Programs, University Office for	
	Item	Labor and materials to remove and install new stoker grate drives and coal feeders, variable frequency drive panels, and ancillary parts for boiler numbers five and six at Abbott Power Plant.	
	Cost	\$608,898 - f.o.b. delivered and installed	
	Vendor	Powerhouse Technology, Inc., Farmington, NY	
		<u>Other Bid Received</u>	<u>Amount</u>
		Frank Lill and Sons, Inc., Webster, NY	\$1,061,666

All prices are f.o.b. delivered and installed.

19 other firms were invited to bid; 18 did not respond and 1 submitted a "no bid". Award is based upon the lowest bid meeting specifications.

These repairs will restore the operation of using coal to fire boilers and will save the University approximately \$30,000 per day when compared to using natural gas fired boilers.

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10 Unit      University Office of Planning & Budgeting - Decision Support

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Item      Temporary IT Personnel

Cost      \$1,000,000 (estimated)

Vendor    Contracts would be executed with three firms, TEK Systems, Starpoint, and Ciber, Inc.

Awarding contracts to three firms will ensure that resources will be available at the time of need. Determination as to which contractor's temporary as-needed resources will be utilized (and therefore the amount paid to each contractor) will be made at the time of the requirement and will be based on the rate for the resource required and on availability of qualified resources. Options to renew these contracts are available for an additional three (3) one-year periods and may be exercised based on a continuing need, availability of funds, satisfactory performance, and with authorization of the Comptroller.

**CHANGE ORDERS**

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**Chicago Campus**

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11 Unit      Hospital Department of Pathology Laboratories

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Item      Increase in annual expenditures for estimated quantities of clinical chemistry and immunochemistry test supplies for the period ending June 30, 2006 with the option to renew at the same prices, terms and conditions for five additional one-year periods subject to continuing need and availability of funds, with the Comptroller authorized to exercise such option.

Cost      \$ 620,000 per year (estimated)

Vendor    Beckman Coulter, Inc., Fullerton, CA

On February 17, 2004, a recommendation was approved to Beckman

Coulter for equipment, consumable supplies, and maintenance for a laboratory automation system for Hospital Pathology Labs. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. The annual expenditure for the equipment (including financing for a 7-year period) to be paid to Key Municipal was \$146,630.44. Consumable supplies, to be paid to Beckman Coulter, were estimated at \$337,045.92 annually. This purchase was not submitted to the Board for approval since total annual expenditures for both Key Municipal and Beckman Coulter were below the then-current \$500,000 limit.

The FY05 estimated expenditure for the supplies of \$337,045.92 was based on usage projections from the previous FY plus the addition of some test procedures that were previously performed on now retired older equipment. As the Pathology Lab's chemistry automation project that linked the new analyzers to a robotic tracking system was implemented, more test methods were added increasing efficiency and test volume. In addition, unanticipated growth for FY05 of 300,000+ in procedures occurred due to a large outreach contract with the Department of Human Services. The University has also recently finalized contract negotiations with the Illinois State Prison System to provide laboratory testing for 18-23 prisons.

The annual estimated revenue for the Medical Center's lab testing services is expected to fall between \$3 million to \$5 million for the prison system alone. The revenues will continue to increase as more testing agreements are executed with agencies such as the City of Chicago, Cook County Bureau of Health Services, school-based systems, etc. Due to this increase in the number of tests that could be performed on the new equipment, and the unanticipated success of the outreach program, actual usages and expenditures for the chemistry and immunochemistry supplies have increased in volume by approximately 84%, from an estimated \$337,045.92/year to an estimated \$620,000/year.

The equipment and supplies are used by Hospital Pathology Labs to conduct a variety of testing on patients in the Hospital and Clinics, as well as clients in the outreach program that performs testing for other institutions and physician practice groups.

The current contract in place with Beckman Coulter holds consumable supply pricing firm for a seven-year period through June 30, 2011.

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**Urbana-Champaign Campus**

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12 Unit	Facilities and Services, Campus Stores, Mail & Receiving (UIUC) Various Departments (UIC and UIS)
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Item Increase annual estimate for FY2006 to accommodate annual renewal of software licensing rights for the Microsoft desktop and server products at all University campuses. Due to the increased use of the discount program and software assurance program sponsored by Facilities and Services, annual estimates will increase for the FY2006 renewal period.

Cost \$1,500,000 – FY 2006 (estimated)

Vendor En Pointe Technologies, El Segundo, CA  
 The amount shown is an estimate based upon projected sales figures for each year of the program. The actual expenditure will be determined by demand from individual departments, faculty, staff, and students of the University.

The original recommendation of award to En Pointe Technologies for this purchase was submitted and approved at the June 17, 2004 Board of Trustees meeting and made provision for annual renewal periods. This recommendation is for the purpose of increasing the estimated amount to be expended for the FY2006 renewal period to \$1.5 million from the original amount of \$900 thousand.

The original recommendation and award was based on competitive bidding procedures followed in accordance with the Illinois Procurement Code, including advertising in the Higher Education Procurement Bulletin.

<b>SUMMARY OF PURCHASES</b>	
<b>(Rounded to Nearest Dollar)</b>	
Recommended from Appropriated Funds	
Recommended from Institutional Funds	\$19,797,917.50
<b>Grand Total</b>	<b>\$19,797,917.50</b>
Chicago Campus	\$8,869,150.50
Springfield Campus	
Urbana-Champaign Campus	\$9,319,869.00
University Administration	\$1,608,898.00