

Approved by the Board of Trustees
November 12, 2009

25

Board Meeting
November 12, 2009

ROLL CALL

PURCHASE AND CHANGE ORDER RECOMMENDATIONS

The "Purchase and Change Order 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 and change orders. 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 Veterinary Clinical Medicine

Item Electron Paramagnetic Resonance (EPR) Spectrometer System Upgrade

Cost \$397,080

Vendor Bruker Biospin Corporation, Billerica, MA

This purchase is a sole source because compatibility of equipment, accessories, replacement parts, and service is a paramount consideration. The requested upgrade is specific to the Bruker Biospin ELEXSYS E-580 system that the University purchased in 2002. The upgrade consists of supplementary instrumentation and components that attach or interface directly with the ELEXSYS E-580 system to convert it to a multi-frequency version.

This system is one of the key instruments in the Illinois EPR Research facility at the University of Illinois at Urbana-Champaign (UIUC). A number of National Institutes of Health (NIH)-funded faculty from the UIUC campus and from other academic institutions and industrial labs within the U.S. and other countries are currently using the equipment in the EPR facility to research biochemical, biophysical, and biomedical problems. This research is central to the fight to cure cancer, battle inflammatory disease (i.e. arthritis), and understand the aging process. This upgrade will benefit all of the users of the EPR facility.

With this upgrade, UIUC will become a center for EPR research with state-of-the-art equipment for multi-frequency pulsed spectroscopy and will be among the first to offer such facilities in the United States with operation at S-, X-, and Q-band.

The price is considered reasonable and acceptable and includes an additional \$39,708 educational discount. Funding is provided by an NIH grant.

2 Unit Department of Mechanical Science and Engineering

Item A Particle Image Velocimetry system that consists of two high-speed digital cameras and a high repetition dual-cavity pulsed laser

Cost \$296,745

Vendor TSI Inc., St Paul, MN

This purchase is a sole source because compatibility of equipment, accessories, replacement parts, and service is a paramount consideration. TSI Inc. is the only manufacturer/vendor that has a commercially available Particle Image Velocimetry (PIV) system that can measure and record images between 3,000 and 250,000 frames per second, which is required for the ongoing study of turbulent flow dynamics.

The timing system, known as a synchronizer, is unique to the TSI systems and run by specialized TSI software, which acts as a central control system. Multiple PIVs are currently in use in this laboratory. Cameras and lasers from this vendor are needed to ensure full compatibility with the laboratory's existing timing and software systems.

This high-speed PIV system will be used to study the dynamics of turbulent flow in the vicinity of highly-irregular roughness. The specific work being pursued initially involves the buildup of contaminants and debris on the surfaces of turbine blades used in land-based turbines for power generation and airborne turbines utilized in aircraft engines. The extremely high acquisition rates of the cameras is crucial for capturing the dynamics of air flow in the targeted range and the high repetition rate of the laser is needed to match this acquisition of the cameras.

The price is considered reasonable and acceptable and includes an additional \$36,155 educational discount. Funding is provided primarily from federal grants.

3 Unit Civil & Environmental Engineering

Item Lease of MARS Avian Radar System for the period December 1, 2009 through November 30, 2010.

Cost \$292,450

Vendor Geo-Marine Incorporated, Plano, TX

This purchase is a sole source because Geo-Marine Incorporated is the only vendor who can provide horizontal and vertical radar orientation coupled with proprietary target detection algorithms and supporting data management systems.

This equipment will be used to conduct research funded by the FAA on performance standards and equipment capabilities of different configurations of avian radar and is a funded expansion of research initiated in 2002. The MARS Avian Radar System will be located at Dallas/Fort Worth International Airport.

Geo-Marine Incorporated will provide an estimated \$267,390 in labor without charge to the University in support of this project. The price is considered reasonable and acceptable.

4 Unit University Libraries

Item Subscription to electronic journals for all three University campus libraries for the period January 1, 2010 through December 31, 2010.

Cost \$2,700,000 (estimated)

Vendor Elsevier Science, Inc., New York, NY

This purchase is a sole source because Elsevier Science owns all publishing rights to the required journals, as well as the ScienceDirect platform where the journal content is hosted.

This subscription will provide electronic access to more than 2,000 core journals and books in science, technology, and medicine. This content is essential to research and teaching in the medical, physical, life and social science programs on the campuses.

The three campus Libraries collaborated in negotiating a joint annual subscription license for this content, saving the University approximately \$600,000. In addition, consolidation enables campus libraries to cancel duplicate journal subscriptions and requires the processing of one license agreement instead of three.

5 Unit Division of Intercollegiate Athletics

Item Charter air transportation for men's and women's 2009-2010 Big Ten Conference basketball season.

Cost \$315,446 (estimated)

Vendor Charter Search, Inc., Lake Mary, FL

Bids Received

Charter Search, Inc., Lake Mary, FL

Total Estimated Cost

\$315,446

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

Sealed Bid #1CLY900 was approved by the Board of Trustees on September 6, 2007, for the period November 1, 2007, through June 30, 2009, with two one-

year renewal options. Due to market conditions, this procurement was re-bid in order to ensure best pricing for the University.

This purchase will provide air charter flights for the University of Illinois men's and women's basketball teams to travel to the University of Iowa, Michigan State University, University of Michigan (men only), University of Minnesota (women only), Penn State University, Ohio State University and the University of Wisconsin for scheduled games during the 2009-2010 basketball season.

Fuel costs are volatile and the University accepted provisions for adjusting charter pricing in response to fuel cost increases or decreases.

Chicago Campus

6 Unit Facilities Management, Transportation Services

Item Purchase and delivery of gasoline and diesel fuel beginning on December 1, 2009 through November 30, 2011 with an option to renew for two additional twelve-month periods, with a price increase for the second option year not to exceed 2%. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$1,107,753 (estimated)

Initial Period:

FY10	\$323,094 (7 months)
FY11	\$553,876
FY12	\$230,783 (5 months)

Renewal Options:

December 1, 2011 - November 30, 2012	\$553,877 est.
December 1, 2012 - November 30, 2013	\$564,954 est.

Vendor Cooper Oil Company, Inc., Frankfort, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Cooper Oil Company, Inc., Frankfort, IL	\$1,107,753
Avalon Petroleum Company, Kankakee, IL	\$1,112,350
World Fuel Services, Inc., Texor Division, Riverside, IL	\$1,129,840

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

The vendor will provide and deliver 87 octane unleaded regular with 10% ethanol gas, 89 octane ethanol (ETOH) reformulated unleaded gas, No. 1 diesel fuel, No. 2 diesel fuel, ultra low sulfur diesel fuel, and B11 bio-diesel fuel to the University of Illinois at Chicago, Transportation Services to fuel its fleet of sedans, buses, trucks, vans, and grounds equipment.

Cooper Oil Company is a City of Chicago-certified Woman-Owned Business Enterprise (WBE).

7 Unit University of Illinois Medical Center at Chicago/ Hospital Materials Management

Item Purchase of implantable cardioverter defibrillators (ICD's), pacemakers, leads, and ancillary items for the period November 15, 2009 through May 31, 2011 with the option to renew for three additional twelve-month 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 \$2,929,167 (estimated)

Initial Period:

FY10 \$1,187,500 est. (7 ½ months)

FY11 \$1,741,667 est. (11 months)

Renewal Options:

June 1, 2011 – May 31, 2012 \$1,900,000 est.

June 1, 2012 – May 31, 2013 \$1,900,000 est.

June 1, 2013 – May 31, 2014 \$1,900,000 est.

Vendor Primary: St. Jude Medical, Austin, TX - \$2,636,250 est.
Secondary: Medtronic USA, Inc., Minneapolis, MN - \$292,917 est.

<u>Bids Received</u>	<u>Total Estimated Cost</u>
St. Jude Medical, Austin, TX	\$1,222,105
Medtronic USA, Inc., Minneapolis, MN	\$1,527,635

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

Two awards are being made to ensure that adequate devices of sufficient type

and quality will be readily available to satisfy the University of Illinois at Chicago Medical Center's needs. The primary vendor will be used first, as it was the lowest responsive and responsible bidder.

The heart rhythm products will be used by the UIC Medical Center for various procedures based on the patient's individual needs.

Prices will remain firm for the renewal option periods.

8 Unit University of Illinois Medical Center at Chicago/ Patient Accounts

Item Purchase of a revenue cycle business intelligence and analytical reporting tool and related services for the period January 1, 2010 through June 30, 2010 with the option to renew for four additional twelve-month periods. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$263,650 (estimated - 6 months)

Renewal Options:

FY11	\$465,300 est.
FY12	\$465,300 est.
FY13	\$479,259 est.
FY14	\$493,637 est.

Vendor The Advisory Board Company, Washington, DC

Proposals Received

Point Summary of Proposals
(Maximum Score of 3,000)

The Advisory Board Company, Washington, DC	2,866
Chicago Business Intelligence Group, Rosemont, IL	1,711
Column Technologies, Downers Grove, IL	1,578

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

The Advisory Board Company system will support revenue cycle business intelligence for the University of Illinois Medical Center, outpatient clinics, and federally qualified health center clinics. The system will cover accounts receivable business intelligence, credit and income scoring of uninsured patients for automated charity and other related determinations. In addition, the Advisory Board Company will provide recovery audit contractors (RAC) and governmental audit analytical tools for focused claims review to mitigate risk of

federal non-compliance.

A Best and Final Offer was negotiated, saving the University \$43,146 for the life of the contract.

9 Unit University of Illinois Medical Center at Chicago/ Guest Services

Item Purchase of video interpreter and sign language services for the period December 1, 2009 through August 31, 2012 with the option to renew for two additional twelve-month 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 \$432,161 (estimated)

FY10	\$285,359 est. (7 months)
FY11	\$ 67,755
FY12	\$ 67,755
FY13	\$ 11,292 est. (2 months)

Renewal Options:

September 1, 2012 – August 31, 2013	\$ 67,755
September 1, 2013 – August 31, 2014	\$ 67,755

Vendor Metropolitan Chicago Healthcare Council, Chicago, IL

This purchase is a sole source because the Illinois Video Interpreter Network for Healthcare (IVIN-H) is developed and owned by Metropolitan Chicago Healthcare Council (MCHC). MCHC created the only network of participating member hospitals to provide live language interpreters and sign language services to other members nationwide.

Medical institutions are connected with qualified medical language interpreters with access to live translators on a twenty-four hour, seven days per week basis using video technology that is mounted on a mobile cart and wheeled into the patient's room for immediate access within one minute. The program helps to reduce the risk of medical errors associated with miscommunication and delays in accessing non-English speaking personnel.

The estimated expenditure for FY10 is based on the purchase of technology equipment, implementation and installation costs of \$285,359. In the second and third years, the costs are an annual subscription fee of \$60,000 and an annual maintenance fee of \$7,755. The fee is based on the highest service level

due to current and past usage of interpretation services. Previous commercial interpreter services cost over \$340,000 annually or \$1.7 million over a five-year period. The phased implementation will result in a cost savings of \$144,000 for the first two years of the program and approximately \$598,000 in savings for the five-year period.

10 Unit Hospital Materials Management

Item Purchase of laparoscopic gastric bandings for the period November 30, 2009 through October 31, 2011.

Cost \$1,017,875 (estimated)

FY10 \$375,000

FY11 \$642,875

Vendor Johnson & Johnson Healthcare Systems/Ethicon, Piscataway, NJ

This purchase is a sole source because the items are patented and FDA approved, and Johnson & Johnson is the only manufacturer and distributor.

The laparoscopic gastric bandings are used in place of stapling as a method of gastro bypass procedures for the treatment of morbid obesity. The laparoscopic placement of the band is less invasive and less traumatic to the patient.

The University will receive discounts ranging from 2.5% – 10% for these products.

11 Unit University of Illinois Medical Center at Chicago/Pathology Laboratory

Item Purchase of reagents and consumables for extracorporeal photopheresis immune cell therapy for the period December 1, 2009 through November 30, 2011 with the option to renew for three additional twelve-month periods. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$3,421,600 (estimated)

FY10 \$ 997,967 est. (7 months)

FY11 \$1,710,800 est.

FY12 \$ 712,833 est. (5 months)

Renewal Options:

December 1, 2011 – November 30, 2012 \$1,710,800 est.

December 1, 2012 – November 30, 2013 \$1,710,800 est.

December 1, 2013 – November 30, 2014 \$1,710,800 est.

Vendor Therakos, Exton, PA

This purchase is a sole source because the items are patented and Therakos is the only manufacturer and distributor.

Patients that receive a bone marrow and/or stem cell transplant may contract graft-versus-host disease (GVHD). GVHD is a condition of painful skin lesions, which is the result of an allergic reaction to the transplant. GVHD can cause damage to the liver, skin, immune system, lungs and gastrointestinal tract. Extracorporeal photopheresis (ECP) was designed specifically for the treatment of GVHD.

This procedure lessens the severity of GVHD. Additionally, this procedure will eliminate the need to refer University of Illinois at Chicago (UIC) patients to outside institutions for treatment and to enhance patient care by allowing continuation of monitoring.

The estimated cost savings to the University due to volume discounts is approximately \$546,000 for the life of the contract.

12 Unit College of Medicine/Section of Pulmonary, Critical Care, Sleep and Allergy

Item Purchase of sleep study equipment, technical staffing, and scoring services for sleep studies for the period December 1, 2009 through November 30, 2011 with the option to renew for three additional twelve-month periods. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.

Cost \$2,000,000 (estimated)

FY10 \$ 500,000 est.

FY11 \$1,000,000 est.

FY12 \$ 500,000 est.

Renewal Options:

December 1, 2011 – November 30, 2012 \$1,000,000 est.

December 1, 2012 – November 30, 2013	\$1,000,000 est.
December 1, 2013 – November 30, 2014	\$1,000,000 est.

Vendor SleepMed, Inc., Peabody, MA

<u>Proposals Received</u>	<u>Point Summary of Proposals</u> (Maximum Score of 2,500)
SleepMed, Inc., Peabody, MA	2,073
Precision Diagnostic Services, Fargo, ND	1,351

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

SleepMed will provide polysomnography (PSG) technicians to staff and score sleep studies in the clinical sleep lab, as well as all necessary sleep diagnostic equipment for the sleep study. SleepMed will also provide a server for collection and storage of sleep studies, along with all computer equipment and supplies, and ensure repair or replacement of all computer and accessory equipment. SleepMed will provide technical services for PSG or daytime multiple sleep latency test (MSLT) or maintenance of wakefulness (MWT) testing.

A Best and Final Offer was negotiated and cost savings are estimated at \$701,255 for the life of the contract.

13 Unit College of Medicine/Section of Cardiology

Item Purchase of an electron paramagnetic resonance spectrometer.

Cost \$239,495

Vendor Bruker Biospin Corporation, Billerica, MA

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Bruker Biospin Corporation, Billerica, MA	\$239,495

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

The EMXplus spectrometer system will be used in biomedical research in the cardiology laboratories. It will help researchers meet the National Institutes of Health (NIH) submission protocols associated with testing of free radicals (molecules or atoms with unpaired electrons) and other materials of biological,

medical and biochemical interest.

The University will receive a discount of approximately 4% for this equipment.

14 Unit College of Medicine/Department of Pharmacology

Item Purchase of an intravital microscope system.

Cost \$469,550

Vendor Intelligent Imaging Innovations, Denver, CO

This purchase is a sole source because the item is not available from any other manufacturer and is patent-pending.

This system is the only turnkey microscopy instrument available designed specifically for confocal (3-dimensional microscopy) intravital (using live subjects) imaging of thrombosis (blood clots) assays. The instrument will be used to study various stages of thrombosis and inflammation in live animals. The research into understanding the initiation and propagation of blood clots is important to the study of vascular diseases, myocardial infarction, and stroke. In addition, the proteins involved are now being recognized as markers for cancer detection and prevention.

The University will receive a 7% discount on all system components. Funding is provided primarily from federal stimulus grant funds through the American Recovery and Reinvestment Act of 2009 (ARRA). This purchase is time-sensitive due to federal compliance requirements with ARRA funds.

15 Unit College of Pharmacy/ Department of Medicinal Chemistry & Pharmacognosy

Item Purchase of a hybrid triple quadrupole/linear ion trap mass spectrometer.

Cost \$280,154

Vendor Applied Biosystems, Inc., Foster City, CA

This purchase is a sole source because the item is patented and not available from any other manufacturer or distributor.

This instrument is the only hybrid triple quadrupole/linear ion trap mass spectrometer available in the mass spectrometer market. The instrument provides both the highest performance linear ion trap technology and the

required sensitivity needs to address the critical need in the Liquid Chromatography/Mass Spectrometry (LC/MS) analysis of natural botanical reference materials. The equipment will be used to establish new spectrometric technologies to assess the quality and integrity of botanical dietary supplements.

The University will receive a 45% discount off list price for this equipment for a total cost savings of \$229,217. Funding is provided from federal stimulus grant funds through the American Recovery and Reinvestment Act of 2009 (ARRA). This purchase is time-sensitive due to federal compliance requirements with ARRA funds.

CHANGE ORDERS RECOMMENDED

Chicago Campus

1	Unit	College of Dentistry		
	Item	Change order to increase existing dental laboratory services for FY10 and FY11.		
	Cost	\$250,000 (estimated)		
		Original Amount <u>(estimated)</u>	Change Order <u>(estimated)</u>	New Total <u>(estimated)</u>
		FY10	\$430,000	\$125,000
		FY11	\$430,000	\$125,000
	Vendor	Quas Dental Laboratory, Inc., Elmhurst, IL		\$30,000 est. per year
		Accudent Laboratory, Inc., Lansing, IL		\$95,000 est. per year

In April, 2006 the Director of Purchasing approved contracts with five dental lab companies. Competitive procurement procedures were followed in accordance with the Illinois Procurement Code.

The term of the original contract was for a five-year period beginning July 1, 2006 and ending June 30, 2011. There was an option to renew at the same prices, terms and conditions for three additional one-year periods.

This change order is required to accommodate an increased need for fabrication of dental appliances from these two laboratories, and to accommodate the increased cost of the metals used in the fabrication of the

appliances. The factors leading to the increase in production at the College of Dentistry include a greater use of dental laboratory services at the Undergraduate Implant Clinic, and the closure of several local dental clinics. The closure of these local dental clinics has resulted in a larger volume of patients seeking treatment at the College of Dentistry.

The University will receive a discount of 6% from Accudent for these services. Quas Dental Laboratory will provide the PFM Crown prosthodontic at a 3% discount for expenditures over the original estimated contracted amount.

2 Unit University of Illinois Medical Center at Chicago/ Hospital Marketing Department

Item Change order to increase the existing agreement for strategic marketing and media relations consulting services to enhance the University of Illinois Medical Center’s brand identity and reputation for FY10 and FY11 with the option to renew for FY12 through FY16 at an increase not to exceed 3% for each renewal period. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees’ approval.

Cost \$ 1,000,000 (estimated)

	Original Amount (estimated)	Change Order (estimated)	New Total (estimated)
FY10	\$ 463,403	\$ 500,000	\$ 963,403
FY11	\$ 476,380	\$ 500,000	\$ 976,380

Renewal Options:

FY12	\$ 490,671 est.
FY13	\$ 505,392 est.
FY14	\$ 520,553 est.
FY15	\$ 536,170 est.
FY16	\$ 552,255 est.

Vendor Laughlin Constable (previously Greenhouse Communications), Chicago, IL

On July 30, 2007, the Board of Trustees approved a contract with Greenhouse Communications, now known as Laughlin Constable, to provide strategic marketing and media relations consulting to enhance the University of Illinois Medical Center’s brand identity and reputation.

This change order is being requested to increase the amounts for FY10 and FY11 to accommodate the need for additional services. This change is required due to the new branding campaign for the Medical Center that is being rolled out and the need for key tasks to be completed. The increase will provide for media negotiation and placement, television production management, as well as design and programming of the University of Illinois Medical Center at Chicago website.

The hourly rates applicable to this change are approximately 15% less than the original hourly rates, saving the University approximately \$176,470.

SUMMARY OF PURCHASES	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 4,001,721
Chicago Campus	\$12,161,405
Recommended from Institutional Funds	
Grand Total	\$16,163,126
SUMMARY OF CHANGE ORDERS	
(Rounded to nearest dollar)	
Chicago Campus	\$ 1,250,000
Recommended from Institutional Funds	
Grand Total	\$ 1,250,000