

Board Meeting  
November 8, 2012

## 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

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#### Urbana-Champaign Campus

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1 Unit	Facilities and Services
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Item	Design, construction, operation, and maintenance of a solar panel farm.
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Cost	\$15,100,000 (estimated)
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Vendor	Phoenix Solar, Inc., San Ramon, CA
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<u>Proposals Received</u>	<u>Point Summary of Proposals</u> (Maximum Score of 1,000)
Phoenix Solar, Inc., San Ramon, CA	839
New Generation, Chicago, IL	799
SolarWorld Americas, Camarillo, CA	780
ESA Renewables, Lake Mary, FL	698
CWP USA, Inc., Chicago, IL	667
SunPower Energy Corporation, Richmond, CA	665
SPG Solar, Inc., Novato, CA	647
American Capital Energy, Inc., North Chelmsford, MA	523
Cascade Renewable Energy, Grand Rapids, MI	429
Advanced Distribution Generation, Toledo, OH	403
Altorfer, Inc., Bartonville, IL	194

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

The University is seeking to increase the use of renewable energy sources for campus electrical needs in an effort to meet the commitments set in the 2010 Campus Climate Action Plan. This initiative will result in the installation of a 4.5MW solar panel farm on the University's South Farms area, which will generate approximately 1.8% of the University's current energy usage. The solar panel farm will be directly connected to the University's electrical distribution system in parallel with the electrical service provided by the local utility.

The University will provide a land-lease agreement to the awarded vendor at a cost of \$1.00 per year and will enter into a power purchase agreement with the vendor for the duration of the contract period. The total cost of the solar panel farm will be amortized and included in the power purchase agreement. The University will assume ownership of the solar panel farm at the end of the ten-year contract.

A best and final offer was negotiated, saving the University approximately \$1,460,000 over the life of the contract.

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2 Unit University Libraries

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Item Subscription to electronic journals and books for all three University campus libraries for the period January 1, 2013, through December 31, 2017.

Cost \$17,000,000 (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 purchase is also exempt from the competitive bidding procedures in accordance with the Illinois Procurement Code under expenditure for periodicals and books for use by a university library.

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 all campuses.

The consolidation of the three separate campus contracts has enabled the campus libraries to cancel duplicate journal subscriptions and requires the processing of a single license agreement instead of three, saving the University approximately \$2,220,000 over the five-year contract period.

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3 Unit Utilities Administration

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Item Purchase of one dual-fuel steam-generating boiler for the Abbott Power Plant with the option for original equipment manufacturer replacement parts and service for two 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 \$2,885,000 (estimated)

Renewal Options:

July 1, 2013 to June 30, 2014 \$900,000 est.

July 1, 2014 to June 30, 2015 \$900,000 est.

Vendor Foster Wheeler North America, Hampton, NJ

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Four vendors submitted responses. Three vendors did not meet all of the specifications and were considered non-responsive.

Three of the boilers at the Abbott Power Plant were installed in 1972 and are well beyond their expected useful life. One of the boilers is not in service and is being used for parts. One of the other two boilers has had significant outages and failures over the past year, and the other boiler has had increasing outages as well. The boiler to be replaced is not expected to provide reliable service during the coming winter.

The new boiler will heat campus buildings by producing steam and can be fueled by either coal or natural gas, depending on which is the more cost-effective option.

A best and final offer resulted in approximately \$83,000 savings for the University. This contract also enables the University to purchase an additional boiler under the same terms, conditions, and specifications within a twelve to twenty-four month timeframe if needed.

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**Chicago Campus**

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4	Unit	University of Illinois Hospital and Health Sciences System (UIHHSS)	
	Item	Temporary physician services for the University of Illinois Hospital, Hospital clinics, College of Medicine at Rockford, and College of Medicine at Peoria for the period November 9, 2012 through October 31, 2014, with the option to renew for three additional one-year periods. Prices will remain firm for option period one. Option period two is not to exceed 1%, and option period three is not to exceed 2%. All renewals are subject to continuing need, availability of funds, satisfactory performance, and Board of Trustees' approval.	
	Cost	\$6,000,000 (estimated)	
		Renewal Options:	
		November 1, 2014 to October 31, 2015	\$3,000,000 est.
		November 1, 2015 to October 31, 2016	\$3,030,000 est.
		November 1, 2016 to October 31, 2017	\$3,090,600 est.

Vendor Maxim Staffing Solutions, Oak Park, IL

<u>Proposals Received</u>	<u>Point Summary of Proposals</u> (Maximum Score of 500)
Maxim Staffing Solutions, Oak Park, IL	333
CompHealth, Salt Lake City, UT	282
Weatherby, Fort Lauderdale, FL	252
Annashae Custom Staffing, Cleveland, OH	194

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Six vendors submitted responses. Two vendors did not meet all of the specifications of the request and were considered non-responsive.

The University of Illinois Hospital and Health Sciences System (UIHHSS) is seeking to maintain and expand inpatient care services, as well as improve the quality and efficiency of service delivery. The professional workforce required to meet these objectives is variable and inconsistent due to competitive recruitment and increased retirements.

The recommended vendor will provide temporary physicians on an as-needed basis for the Hospital and its clinics, as well as to the College of Medicine in Rockford and the College of Medicine in Peoria. Among the medical specialties to be provided are Medical and Surgical ICU, Anesthesia, General Internal and Family Medicine, Specialty Medicine/Co-Management, General and Specialty Pediatrics, Emergency Medicine, and Obstetrics/Gynecology. These physicians will support the University by assuring continuous and comprehensive patient care, providing medical leadership for inpatient care, and upholding the standards of unit-based clinical efficiency, quality, and financial outcome performance metrics.

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5 Unit Facilities Management

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Item Purchase and installation of a Reverse Osmosis System, including a five-year service plan on parts and repairs.

Cost \$1,026,000 (estimated)

Vendor Hayes Mechanical, Chicago, IL

<u>Bids Received</u>	<u>Total Estimated Cost</u>
Hayes Mechanical, Chicago, IL	\$1,026,000
Kroeschell Engineering, Arlington Heights, IL	\$1,042,000
AMS Mechanical Systems, Burr Ridge, IL	\$1,106,000

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

The Reverse Osmosis System will use advanced membrane technology to filter and purify water before it fills boiler tubes, removing acid, caustic soda, and other minerals that would otherwise enter the boiler. This treatment will decrease the need for annual boiler tube maintenance.

Pricing includes all installation costs, lining of the water tanks, and a five-year service plan on parts and repairs. This purchase will result in approximately \$90,000 in annual savings for the University by lowering the cost of annual maintenance and chemicals used to clean the boiler tubes.

<b>SUMMARY OF PURCHASES</b>	
(Rounded to nearest dollar)	
Urbana-Champaign Campus	\$ 34,985,000
Chicago Campus	\$ 7,026,000
Recommended from Institutional Funds	
<b>Grand Total</b>	<b>\$ 42,011,000</b>