

Board Meeting
September 8, 2005

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

Chicago Campus

1. Unit Hospital/Information Technology Services (UIMCC)

Item McKesson HealthQuest Upgrade Consulting Services for the period September 15, 2005 through June 30, 2006 with the option to renew for one additional twelve-month period at the same terms and conditions based on satisfactory performance, continuing need and availability of funds, with the Comptroller authorized to exercise such option. Prices will be firm for the initial period and the one renewal option.

Cost \$540,000 estimated for initial contract period

Vendor McKesson Information Solutions, Inc. Alpharetta, Georgia

Other bid proposals received:

CTG Inc., Cincinnati, OH \$480,000 estimated
for initial period

Healthlink, an IBM company, Houston TX \$600,000 estimated
for initial period

ACS Healthcare Solutions, Dearborn, MI \$692,000 estimated
for initial period

HealthTek Solutions, Norfolk, VA \$720,000 estimated
for initial period

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

Thirty-five firms were invited to bid; five submitted proposals and thirty did not respond. A four member evaluation committee reviewed the five proposals and the recommended vendor received the highest technical score for their proposed services and submitted the second lowest overall price.

The cost of the contract is based on the University's estimated number of hours for the upgrade multiplied by the proposer's firm price per hour. Pricing is firm for the initial contract period and the one renewal period. Actual expenditures may vary depending upon the actual number of hours required to complete the upgrade.

The Medical Center's patient accounting system provider is McKesson. McKesson's HealthQuest suite of software provides a modular approach for patient accounting computing. The Medical Center will be upgrading the current McKesson HealthQuest 2000 Patient Accounting system from release 8.7 to release 10.1. McKesson will be providing additional resources to supplement the current staff with upgrade and system support tasks. The systems to be upgraded are Patient Accounting, Patient Management, Medical Records, and Receivables Workstation. Each of these systems is critical to patient care, patient medical records documentation, billing and receivables. Down time must be kept to a minimum to avoid negative impact to patient care and the potential loss of revenue to the Medical Center.

CTG and McKesson were invited to submit best-and-final offers to clarify assignment of personnel to the project, amount of on-site support throughout the project, and finalizing price. CTG lowered their hourly rate but reduced the amount of travel and on-site presence to an unacceptable level of approximately 40% of staff time (programmers

and analyst). McKesson committed to a 50% on-site presence which, combined with their staff's superior product knowledge, would significantly enhance the productivity of the upgrade effort, as well as aid in issue resolution.

The McKesson staff has substantially more experience with the software upgrade and has easier access to development support than any of the other firms that submitted responses. McKesson has identified a pool of individuals by name, has committed that each assigned team member will come from this pool and will have the proper experience with the upgrade. All team members will have completed classroom education on upgrades for both releases. McKesson has access to an operating demonstration/test environment running in a base version of the software release being installed. This will greatly enhance the problem resolution process. It will also provide UIC team members an opportunity to view the software before it is installed.

2. Unit Hospital Radiology

Item Estimated quantities of Hydro-coil embolic systems to be purchased during Fiscal Year 2006.

Cost \$ 600,000 f.o.b. shipping point (estimated)

Vendor MicroVention Inc., Aliso Viejo, California

A quotation was received from the manufacturer. This purchase is considered a sole source because the items have functionality and capabilities that are specifically required for the intended use and that are not available from any other manufacturer. MicroVention holds the patent for these items, and is the sole manufacturer and distributor for the products.

The Hydro-coil embolic systems consist of hair-thin platinum wires coated with a special polymer that expands upon insertion into weakened blood vessels and completely fills the vessel. The polymer also interacts with the tissue of the blood vessel to facilitate healing and markedly reduces the need for invasive surgery. This product is also the only coil product with FDA approval.

The Hydro-coil embolic systems will be used for the treatment of cerebral aneurysms in patients at the University of Illinois Hospital.

The estimated expenditure is calculated by multiplying the estimated number of items required by the unit price per item. Actual expenditures may vary depending upon the actual usage. Prices for FY06 will remain the same as for FY05. In addition, MicroVention allows UIC to obtain

these items on a consignment basis and pay for them only upon use instead of paying for a large up-front inventory.

Urbana-Champaign Campus

3. Unit Facilities and Services

Item Petroleum Products to be furnished during the period July 1, 2005 through June 30, 2006 in transport deliveries with options to renew for three additional one-year periods, under the same prices, terms, and conditions, subject to the availability of funds, continuing need and satisfactory performance, with the Comptroller authorized to exercise such options, for the following estimated quantities:

Group I: 280,000 gallons, approximately, 10% ethanol lead-free gas

Group II: 25,000 gallons, approximately No. 1 diesel fuel oil

Group III: 25,000 gallons, approximately No. 2 diesel fuel oil

Cost \$594,609 – f.o.b. terminal (Champaign) (estimated annual expenditure)

Vendor Tri Star Marketing, Inc., Urbana, IL

The estimated total includes freight costs of \$3,616 which is based on the contract rate with Manito Transport.

The estimated cost expenditure is calculated by multiplying the estimated quantity times the unit prices based on the posted index prices plus the bidder's differential. The total may be more or less depending on the actual requirements and the posted index price at the time of purchase.

All prices will increase or decrease with the market fluctuation in accordance with the posted prices in the Oil Price Information Service weekly publication for gasoline, fuel oil, and diesel fuel.

The initial three-year award to Tri Star Marketing, Inc. in May 2003 for the FY04 through FY06 period was estimated at an annual dollar amount that was below the Board approval threshold (less than \$500,000 per year). However, due to an increase in the price of world crude oil and subsequent increase in gasoline and diesel fuel oil wholesale terminal prices, approval is now required for estimated FY2006 expenditures and annual expenditures for each of the three one-year renewal periods.

The gasoline and diesel fuel oil will be used for University fleet vehicles.

SUMMARY OF PURCHASES	
(Rounded to Nearest Dollar)	
Recommended from Appropriated Funds	
Recommended from Institutional Funds	\$1,734,609
Grand Total	\$1,734,609
Chicago Campus	\$1,140,000
Springfield Campus	
University Administration	
Urbana-Champaign Campus	\$594,609