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**

<table>
<thead>
<tr>
<th>Chicago Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Unit</td>
</tr>
<tr>
<td>Item</td>
</tr>
<tr>
<td>Cost</td>
</tr>
</tbody>
</table>
Engine Control Upgrade:
FY 2016 $ 1,100,000.00

Service and Maintenance Plan
FY 2016 $ 133,334.00 (Partial Year)
FY 2017 $ 320,000.00
FY 2018 $ 320,000.00
FY 2019 $ 320,000.00
FY 2020 $ 320,000.00
FY 2021 $ 186,666.00 (Partial Year)

Vendor Wartsila North America, Inc., Houston, TX

This purchase is considered a sole source as only the original equipment manufacturer (OEM) has the factory trained personnel, original replacement parts and expertise with the compatibility of equipment, to perform the control system upgrade and ongoing service and maintenance services.

There are three (3) Wartsila west side and two (2) east side cogeneration engines utilized to generate electricity to the entire Chicago campus; only the three (3) west side campus engines require upgrading at this time. These engines produce electricity for campus needs when it is cheaper to produce, then to purchase it and are also used in power outage situations.

Based upon a two year evaluation, the University has to go forward with the upgrading of the proprietary control systems of the three (3) west side campus Wartsila engines. Without this upgrade to the Wartsila Operators Interface System (WOIS), the engines would not be able to shed load on peak demand days. The WOIS upgrade involves removing the existing engine automation and monitoring system and replacing with the Unified Controls (UNIC) system. This includes replacement of the programmable logic controller.

The service and maintenance Contract will support all five (5) engines. It is needed because all OEM parts are only available from Wartsila as they do not have resellers nor distributors. As the OEM they own the engineering data and drawings from which the engines were manufactured. All facets of the parts and support over the life of the equipment need to come from the OEM to preserve the functionality and reliability of the engines.
## RENEWAL OPTIONS RECOMMENDED

### Technology Services

1. **Unit:** Technology Services

   **Item:** Renewal option for HP network equipment purchase for the period July 1, 2016 through June 30, 2017.

   **Cost:** $2,250,000.00 (estimated)

   **Vendor:** Matrix Integration, Jasper, IN

   This will exercise the fourth of four renewal options to the purchase approved by the Board of Trustees on May 31, 2012, for an estimated $2,250,000 for the period July 1, 2012, through June 30, 2013. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

   The vendor will continue to supply HP network equipment on an as-needed basis for Technology Services as well as other requesting campus units. This equipment is used to connect offices and laboratories to the campus network, as well as to ensure reliable internet connection.

   The contract does not guarantee a purchase or minimum dollar amount, and the estimated cost is based on historical data compiled by Technology Services. Pricing will continue to reflect a 60.4% discount off the HP manufacturer list price.

   The vendor is MAFBE certified.

### Utilities Administration

2. **Unit:** Utilities Administration

   **Item:** Renewal option for purchase of coal, including by-product waste disposal services, for the period July 1, 2016 through June 30, 2017.

   **Cost:** $9,000,000.00 (estimated)

   **Vendor:** Knight Hawk Coal, LLC, Percy, IL

   This will exercise the fourth of five renewal options approved by the Board of Trustees on May 31, 2012, for an estimated $9,000,000 for the period
July 1, 2012, through June 30, 2013. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide approximately 120,000 tons of coal for the Abbott Power Plant to be used as a primary fuel in the University boilers. The coal will be burned to produce steam which will be used to heat campus buildings. The vendor will also continue to dispose of waste, including ash, cinders, gypsum, and other by-products of the coal-burning process.

The original procurement allowed for a renewal price increase of up to $3.00 per ton. However, the vendor has agreed to decrease pricing by 4%, dropping our rate per ton from $64.00 to $61.44.

<table>
<thead>
<tr>
<th><strong>SUMMARY OF PURCHASES</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago Campus</td>
<td>$ 2,700,000.00</td>
</tr>
<tr>
<td>Recommended from Institutional Funds</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 2,700,000.00</td>
</tr>
<tr>
<td><strong>SUMMARY OF RENEWALS</strong></td>
<td></td>
</tr>
<tr>
<td>Urbana-Champaign Campus</td>
<td>$ 11,250,000.00</td>
</tr>
<tr>
<td>Recommended from Institutional Funds</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 11,250,000.00</td>
</tr>
</tbody>
</table>