

Board Meeting
April 11, 2006

ROLL CALL

PURCHASES AND CHANGE ORDERS

The "Purchases and Change Orders 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 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

Chicago Campus	
1 Unit	Hospital Pathology Services
Item	Estimated quantities of human blood and blood components, including all necessary screening and testing, to be purchased during Fiscal Year 2007.
Cost	\$ 2,797,172 f.o.b. delivered (estimated)

Vendors	American Red Cross, Chicago	\$ 1,656,906
	LifeSource Blood Services, Glenview	\$ 1,140,266

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Two vendors submitted bids. A dual award is being made in order to assure a supply of blood in the event of blood shortages. Since blood is donated by volunteers, shortages are not uncommon, particularly during summer months and holiday times.

When the need for blood or blood components arises, the lowest bidder for that specific item will be contacted first. If the low bidder is not able to meet our requirements, the second bidder will be contacted.

The estimated expenditure is calculated by multiplying the unit cost for blood, blood components and necessary tests by the number of units of blood or blood components required. Actual expenditures will vary depending upon actual quantities ordered.

2 Unit Hospital Pathology Laboratories - Molecular Pathology

Item Estimated quantities of reagents and supplies to be purchased during the period July 1, 2006 through June 30, 2009. The reagents and supplies will be used in conjunction with two polymerase chain reaction (PCR) analyzers (COBAS ApliCor) and one automated nucleic acid extractor (COBAS AmpliPrep) for the extraction, detection, measurement and monitoring of patient HIV viral loads.

Cost \$1,120,923 f.o.b. delivered (estimated)

FY07 \$ 322,800

FY08 371,220

FY09 426,903

Total \$1,120,923

Vendor Roche Diagnostics Corporation, Somerville, NJ

The purchase is a sole source because there is only one economically feasible source for the equipment, reagents and supplies. The

equipment and technology is patented by Roche Diagnostics, and the reagents and supplies must be purchased from Roche to assure complete compatibility with the equipment. None of these items are available from distributors or dealers.

Roche is the only vendor that offers an FDA approved automated instrument that will extract HIV RNA from patient specimens. Roche is the only vendor that offers an FDA-approved process for polymerase chain reactions in the range of 400 to 750,000 copies of the HIV virus. This sensitivity and range is crucial to detect newly diagnosed HIV patients, whose viral load would be high, and also those patients on treatment that are being monitored and whose viral load should be decreasing over time.

Pricing for the reagents and supplies is firm for the three-year period of the contract. Roche will also provide, at no additional cost, the use of the three instruments for the duration of the contract. The University will not take title to the equipment.

The estimated expenditure is calculated by multiplying the estimated quantity of reagents and supplies by the unit cost per item. Actual expenditures will vary based upon actual quantities used. An estimated 15% growth factor is included for expenditures in years two and three of the agreement.

The price is considered reasonable and acceptable.

3 Unit Hospital Pharmacy Services

Item Estimated quantity of therapeutic delivery systems consisting of the following: mechanical ventilator, cylinder, calibration gases, injector modules, flowmeter kit, and tubing for the delivery of nitric oxide in purified form to be purchased during Fiscal Year 2007.

Cost \$ 275,000 f.o.b. delivered (estimated)

Vendor INO Therapeutics, Inc., Clinton, New Jersey

This purchase is a sole source because there is only one economically feasible source for this patented item.

Nitric oxide, a pharmaceutical vasodilator, is used in conjunction with ventilator support for the treatment of term and near term (34 weeks and older) neonates with hypoxic respiratory failure. This condition is associated with clinical or echocardiographic evidence of pulmonary

hypertension (high blood pressure in the lungs).

Pricing for the nitric oxide therapy system is based on an hourly charge of \$125 per hour or portion thereof. A device called an INOmeter™ is installed on the nitric oxide cylinder valve and records time of opening and closing of the valve. There are no costs for any of the other items required to provide the therapy system. Annual estimated expenditure is based upon prior fiscal year expenditures.

Pricing is firm for Fiscal Year 2007, and there have been no price increases to the University since Fiscal Year 2001.

The price is considered reasonable and acceptable.

4 Unit Department of Radiology

Item Hardware and software, including set-up, installation, training and three-years of maintenance for the implementation of voice recognition, dictation and transcription technology for the period beginning with the execution of the contract (approximately May 1, 2006) and extending for 36 months, with the option to renew the maintenance agreement for two additional twelve month periods subject to continuing need, satisfactory performance, and availability of funds with the Comptroller authorized to exercise such options.

Cost \$431,321 f.o.b. delivered and installed

Vendor Dictaphone Corporation, Stratford, CT

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Four responses were received. The award was based on a total point assessment that considered technical merit, integration capability with existing systems, support, overall quality of response, and price. Results of the technical evaluation are summarized below.

<u>Proposals Received</u>	<u>Technical Merit Points (Maximum 900 points)</u>
Dictaphone Corporation, Stratford, CT	536
Agfa Corporation, Ridgefield Park, NJ	503
Crescendo Systems Corporation, Quebec, Canada	366
HDI/Dolby, Cincinnati, OH	329

The recommended firm, Dictaphone Corporation, ranked first in technical requirements and third in price after two rounds of best-and-

final offers. Dictaphone Corporation submitted the best overall proposal, including meeting all technical specifications and having the ability for future integration with the existing Cerner Radiology Information System (RIS) and Electronic Medical Record System (Millenium). As a result of the two best-and-final offers, Dictaphone Corporation reduced the cost of the system by \$58,142.47 (12%) from their original offer. Maintenance costs after the initial three-year period will be approximately \$45,365 per year.

The two lowest ranking firms failed to provide data supporting the use of the RIS product, proposed technology that did not match the standards of the Medical Center, and had insufficient staff to support a site of our size and volume. Although Agfa Corporation quoted a lower price, their proposal was ultimately rejected because they were unable to schedule a site visit with a current client, and they failed to submit a project plan to demonstrate their capability to meet both the technical and service requirements of the RFP.

The voice recognition, dictation and transcription hardware and software will allow radiologists to dictate results of their reviews of MRI, CT, diagnostic, mammography, nuclear medicine and ultrasound procedures and create reports at the time the words are spoken. This process eliminates the need for transcriptionists, and reduces the amount of time between the Radiologists' interpretation and the availability of the report to the attending physician, which is critical to the Medical Center's goal of high quality patient care.

5 Unit Department of Neurology and Rehabilitation

Item Vision Restoration Therapy (VRT) program consisting of equipment, staff and patient training, and professional services including: customizing therapy programs for patients, marketing services to eligible patients, providing technical/non-clinical advice to patients via a hotline, and providing updated therapy information to UIMCC for a fifteen-month period commencing April 1, 2006 through June 30, 2007 with the option to renew for three additional one-year periods subject to continuing need and availability of funds with the Comptroller authorized to exercise such option. Prices for the option period will not exceed 3% per year.

Cost \$242,500 for initial 15-month contract period (estimated)

FY06 (3months)	\$ 51,800
<u>FY07 (12 months)</u>	<u>\$ 190,700</u>
Total	\$ 242,500

Vendor NovaVison, Inc., Boca Raton, Florida

This purchase is exempt from competitive bidding requirements of the Illinois Procurement Code because it is a purchase of care.

The Vision Restoration Therapy (VRT) program is a patented, FDA-approved, non-invasive rehabilitation program developed by NovaVision, Inc. to improve visual functions in patients with impaired vision that may have resulted from stroke, trauma, inflammation, surgical removal of brain tumors or brain surgery. NovaVision has offered UIMCC a unique opportunity to partner with them and become the sole provider of the VRT therapy program in the Chicago metropolitan area.

The therapy program includes the provision by NovaVison of equipment to patients deemed suitable candidates for the therapy, developing a customized program of exercises for each patient, monitoring patient progress, providing updated therapy information regarding each patient to UIMCC, and providing patients technical and non-clinical advice via a hotline. UIMCC will be responsible for reviewing the patients' medical and ophthalmological records to determine if the patient could benefit from this therapy. Diagnostic tests are performed and results are used to create the customized vision therapy. Patients receive their VRT medical device, first vision therapy software module, and initial training at UIMCC, and continue daily therapy on the device at home.

NovaVision will also be responsible for developing a marketing program, in conjunction with UIMCC, and will include advertisements in newspapers, medical journals, and radio and television media outlets. (There will be no direct patient referrals by NovaVision to UIMCC).

The costs for providing this unique therapy include a one-time fee of \$5,000 to include initial license, set-up and training costs, an annual \$3,500 licensing fee, and a fee of \$3,900 for each patient enrolled in the program. It is estimated that UIMCC will initially see 4 patients per month but that number is expected to increase as the marketing program generates more interest in the therapy.

The price is considered reasonable and acceptable.

6 Unit Hospital Radiology

Item Estimated quantities of two types of embolic coiling systems of various shapes, sizes, and dimensions to be purchased during Fiscal Year 2007

for the treatment of different types of brain aneurysms in patients at the UIMCC Hospital.

Cost	\$ 750,000 f.o.b. shipping point (estimated)	
Vendors	Micrus Corp., Sunnyvale, California (MicroCoil products)	\$ 500,000 estimated
	MicroVention Inc., Aliso Viejo, California (HydroCoil products)	\$ 250,000 estimated

Each product line referenced above is a sole source under the Illinois Procurement Code because each product line has unique functionality and capabilities that are specifically required for the intended use and that are not available from any other manufacturer. Micrus holds the patent for MicroCoils and MicroVention holds the patent for HydroCoils. Each firm is the manufacturer and sole distributor for their respective product line. Both product lines are required by the Hospital Radiology for use in treating different types of brain aneurysms in patients at the UIMCC Hospital.

The Micrus MicroCoils are used to treat small aneurysms by using a patented material that is soft and flexible and which easily fills the small spaces within the aneurysm as well as the neck of the aneurysm. The detachment mechanism is designed to make it easier to advance the MicroCoils into the spaces within an aneurysm. The product is FDA approved.

The MicroVention Hydro-coils are used to treat large aneurysms with volumetric dimensions up to 11 times that of aneurysms treated with Micrus MicroCoils. The device consists of 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 FDA approved.

Neuro-interventional radiologists at the UIMCC Hospital use either device depending upon the type of aneurysm in the patient, and which method, in their professional opinion, is required to successfully treat the patient.

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 the Micrus MicroCoil include a 10% discount to the University.

MicroVention HydroCoil prices for FY07 will remain the same as for FY06. 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.

The prices are considered reasonable and acceptable.

7 Unit Hospital Department of Hematology/Oncology (Bone Marrow/Stem Cell Transplant Program)

Item Participation in and access to the National Marrow Donor Program national registry listing of hematopoetic blood/marrow transplant donors for the period April 1, 2006 through June 30, 2010 with the option to renew for two additional twelve-month periods at the same terms and conditions subject to continuing need and availability of funds with the Comptroller authorized to exercise such options.

Cost	\$1,206,408 (estimated)	
	FY06 (3 months)	\$ 75,000
	FY07 (12 months)	\$262,500
	FY08 (12 months)	\$275,625
	FY09 (12 months)	\$289,406
	<u>FY10 (12 months)</u>	<u>\$303,877</u>
	TOTAL	\$1,206,408

Vendor National Marrow Donor Program, Minneapolis, MN

This purchase is a sole source because there is only one economically feasible source for the required services. The National Marrow Donor Program (NMDP) is the nation's largest not-for-profit organization, with a database of more than 5 million volunteer bone marrow donors.

The NMDP database includes data from many other cooperative registries around the world, thus providing the most comprehensive, single source for potential donors. NMDP's tissue typing results from more than 5.5 million volunteer bone marrow donors and 40,000 cord-blood units, which increases the probability of finding a donor for our patients.

The expenditure is an estimated price based on past years' historical data.

Pricing is set by the individual donor centers that make up the various registries. The initial contract period is fifty-one months (4 years and 3 months) from FY06 through FY2010 and the estimated expenditure factors in a reasonable 3% price increase for each fiscal year beginning in fiscal year 2007.

The price is considered reasonable and acceptable.

8 Unit Hospital Surgical Services

Item Estimated quantities of intraocular lens disposables to be purchased during Fiscal Year 2007.

Cost \$ 250,000 f.o.b. delivered (estimated)

Vendor Alcon Laboratories Inc., Dallas, Texas

This purchase is a sole source under the Illinois Procurement Code due to compatibility to phaco machines, accessories, replacement parts and service. Alcon is the sole manufacturer and distributor for these products.

The intraocular lens disposables will be used with two existing phaco machines, which are ultrasonic devices used to soften, shatter and remove cataracts.

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.

Alcon Laboratories has extended a 25% to 50% discount for the phaco products purchased by the University of Illinois Medical Center Hospital.

The price is considered reasonable and acceptable.

9 Unit Hospital Surgical Services

Item Estimated quantities of intraocular lens implants to be purchased during Fiscal Year 2007.

Cost \$ 250,000 f.o.b. delivered (estimated)

Vendor Alcon Surgical Inc., Fort Worth, Texas

This purchase is a sole source under the Illinois Procurement Code because the items have functionality and capabilities that are specifically

required for the intended use and that are not available from any other manufacturer. The Alcon lens is the only implantable intraocular lens made of a single piece of acrylate material that is implanted in a one-step process, thereby decreasing the length of the implant procedure and resulting in less trauma to the patient. Alcon holds the patent for these items, and is the sole manufacturer and distributor for the products.

The Alcon lenses are used to replace the natural eye lens that has been damaged or hardened by cataracts. The natural lens is removed and the synthetic lens is implanted.

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.

Alcon Surgical has extended a 67% discount for the lenses purchased at the University of Illinois Medical Center Hospital.

The price is considered reasonable and acceptable.

10 Unit Hospital Surgical Services

Item Estimated quantities of implantable neurostimulation tremor control systems, implantable neurological pain pumps, generators and programmers and implantable neuro-microstimulators for pain control to be purchased during Fiscal Year 2007.

Cost \$ 1,050,000 f.o.b. delivered (estimate)

Vendors Medtronic Neurological Inc., Minneapolis, MN \$ 500,000

(Implantable neurostimulation tremor control systems)

Advanced Neuromodulation Systems Inc., Minneapolis, MN \$ 300,000

(Implantable pain pumps)

Advanced Bionics Corp., Sylmar, CA \$ 250,000

(Implantable neuro-microstimulators)

Each product line referenced above is a sole source under the Illinois Procurement Code because each product line has unique functionality and capabilities that are specifically required for the intended use and that are not available from any other manufacturer.

The implantable neurostimulation tremor control system from Medtronic is specifically designed for patients with essential tremors not adequately

controlled by medications and where the tremor or pain constitutes a significant functional disability. Medtronic is the only provider of this type of pain control system.

The implantable neurological pain pump from Advanced Neuromodulation Systems is specifically designed for the management of chronic intractable pain and other disorders of the central nervous system. A computer database is used to map the pain of the individual patients. This allows the physician to make accurate decisions regarding waveform and electrode configuration definition, as well as lead placement. The palm size programmer is designed for the specific patient's need to control the generator which provides electrical stimulation to the spinal cord.

The implantable neuro-microstimulator from Advanced Bionics is used for clinical applications requiring smaller implants and reduction of the invasiveness of existing therapies. This rechargeable implant is implanted through the use of a needle-like instrument which leaves a small puncture that can be covered with a bandage. It is used for patients with chronic pain whose anatomy requires a small microstimulator due to the limited anatomical area for placement. These items are also the only product with FDA approval.

All three types of pain control systems are required by Hospital Surgical Services so that the proper device can be selected by physician directive for the particular patient. Implantable pain control devices are used when more traditional drug therapies are ineffective or unsuitable.

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.

Medtronic and Advanced Neuromodulation Systems do not discount their products to any user at this time. Advanced Bionics has offered an 8% discount off of the list price.

The prices are considered reasonable and acceptable.

11 Unit	Hospital Surgical Services
Item	Estimated quantities of two types of ear implants and one prosthesis attachment system to be purchased during Fiscal Year 2007.
Cost	\$ 350,000 f.o.b. delivered (estimated)
Vendor	Cochlear Americas, Englewood, Colorado
	This purchase is a sole source under the provisions of the Illinois

Procurement Code because the products are available only from Cochlear Americas who holds the patent and is the sole manufacturer and distributor for the products.

The ear implants are selected by the physician based upon the specific needs of individual patients. The prosthesis attachment system allows for a more stable and permanent way of attaching facial and ear prosthetics.

The ear implants are used to treat patients with conductive and mixed loss hearing impairments which may be the result of chronic inflammation or infection of the ear canal, congenital ear malformation, or single sided hearing loss. The prosthesis attachment system is used when reconstructive surgery is not possible and a prosthesis is required to rehabilitate patients with facial defects caused by congenital syndromes, burns, trauma from traffic accidents or surgery for the treatment of cancer.

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.

Cochlear Americas has extended a 5% - 8% discount for the implants purchased by the University of Illinois Medical Center Hospital.

The price is considered reasonable and acceptable.

12 Unit Hospital Surgical Services

Item Estimated quantities of corneal and scleral tissue implants to be purchased during Fiscal Year 2007.

Cost \$ 300,000 f.o.b. delivered (estimated)

Vendor MEB (Midwest Eye Banks), Chicago, Illinois

This purchase is a sole source under the provisions of the Illinois Procurement Code because the items are economically available only from one source. MEB, established as a not-for-profit center, is the only regional source for donor tissue in the Midwest area.

MEB processes corneal tissue from donors for use in penetrating keratoplasty (surgery on the cornea of the eye) and sclera (the dense fibrous opaque white outer coat enclosing the eyeball), glaucoma surgical procedures. The close proximity to the UIC Medical Center is also essential as it can quickly provide tissue for emergencies. The implants are prescribed by a physician based upon the specific needs of the patient.

The estimated expenditure is calculated by multiplying the estimated number of items required by the process fee per item. Actual expenditures may vary depending upon the actual usage.

Fees charged by MEB are a pass-through expense for UIMCC and as such are regulated by the Federal government. There are no discounts extended, and prices are non-negotiable.

The price is considered reasonable and acceptable.

13 Unit Hospital Surgical Services

Item Estimated quantities for surgical laparotomy bands and accessories to be purchased during Fiscal Year 2007.

Cost \$ 350,000 f.o.b. delivered (estimated)

Vendor Inamed Medical Products Inc., Carpinteria, California

This purchase is a sole source under the provisions of the Illinois Procurement Code because the items have functionality and capabilities that are specifically required for the intended use and that are not available from any other manufacturer. Inamed holds the patent for these items, and is the sole manufacturer and distributor for the products. In addition, the Inamed products are the only ones that have FDA approval.

The laparotomy band is used in place of stapling in gastro bypass procedures for treatment of morbid obesity. The laparoscopic placement of the band is less invasive and less traumatic to the patient.

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.

The price is considered reasonable and acceptable.

14 Unit Hospital Surgical Services

Item Estimated quantities of miscellaneous freeze-dried bone grafts and vascular tissues to be purchased during Fiscal Year 2007.

Cost \$ 200,000 f.o.b. delivered (estimated)

Vendor Allosource, Chicago, Illinois

This purchase is a sole source under the provisions of the Illinois Procurement Code because the items are economically available only from one source. By law, the UIC Transplant Center must have an agreement with a local organ bank for supply of bone graft and vascular tissues. The Federally designated organ and tissue bank for Illinois and Northwest Indiana is Allosource.

The freeze-dried bone grafts and vascular tissues are prescribed by physicians for individual patients on the basis of specific patient need. The bone grafts are used to replace broken bones or as reinforcement for deteriorated or weakened bones. They are used primarily in orthopedic procedures involving broken legs and arms, and in knee and hip replacements. The vascular tissue is primarily used in vascular and cardio-thoracic surgeries as a replacement for diseased tissue or reinforcement for weak vascular tissue. The types of surgeries involve aneurysm-related problems, vein replacement, bypass and open heart surgeries.

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 have been discounted 20% for the UIC Medical Center.

The price is considered reasonable and acceptable.

15 Unit Hospital Surgical Services

Item Estimated quantities of disposable electronic harmonic scalpel products to be purchased during Fiscal Year 2007.

Cost \$ 350,000 f.o.b. delivered (estimated)

Vendor Ethicon, a Johnson & Johnson Company, Piscataway, New Jersey

This purchase is a sole source under the provisions of the Illinois Procurement Code due to compatibility with existing equipment and accessories.

The disposable items include hand pieces, blades, shears and other accessories used with our Ethicon Harmonic Scalpels. The disposables used with the system are specifically designed for the equipment and cannot be provided by any other manufacturer.

The harmonic scalpel is a cutting and coagulating surgical device that is used in endoscopic and open surgical procedures. The Harmonic scalpel vibrates at 55,000 times per second providing the scalpel blade with precision cutting and coagulation capabilities resulting in minimal lateral tissue damage.

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.

Ethicon/Johnson & Johnson has extended a 5% to 10% discount from current list price for the disposable Harmonic products purchased by the University of Illinois Medical Center Hospital.

The price is considered reasonable and acceptable.

16 Unit Hospital Surgical Services

Item Estimated quantities of bileaflet aortic and mitral prosthetic heart valves to be purchased during Fiscal Year 2007.

Cost \$ 254,000 f.o.b. delivered (estimated)

Vendor CarboMedics Inc., Austin, Texas

This purchase is a sole source under the provisions of the Illinois Procurement Code because the items have functionality and capabilities that are specifically required for the intended use and that are not available from any other manufacturer. CarboMedics is the only manufacturer of heart valves designed with two hinged disks to more closely replicate the functionality of natural heart valves. Heart valves from other manufacturers have single, non-hinged flaps that limit blood flow.

CarboMedics holds the patent for these items, and is the sole manufacturer and distributor for the products. The CarboMedics heart valves are used to replace natural heart valves that have been damaged and cause restriction of the blood flow to the arterial system.

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.

CarboMedics is extending a discount of 17% thru 36% on the various products purchased by the University of Illinois Medical Center.

The price is considered reasonable and acceptable.

17 Unit Hospital Surgical Services

Item Estimated quantities of surgical supplies, including probes, forceps, needle holders and drapes to be purchased during Fiscal Year 2007.

Cost \$ 500,000 f.o.b. delivered (estimated)

Vendor Intuitive Surgical Inc., Mountain View, California

This purchase is a sole source under the provisions of the Illinois Procurement Code due to the compatibility of existing equipment and accessories.

The disposable supplies will be used with a DaVinci Surgical Robot that was purchased in 2000. The Surgical Robot enables physicians to more precisely control smaller surgical instruments resulting in less trauma to the patient and quicker recovery times. Supplies that are used with the robotic surgical system must be completely compatible with the equipment and are available only from Intuitive Surgical, the manufacturer and sole distributor of the original robotic equipment and the disposable products to be used with this equipment.

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.

The price is considered reasonable and acceptable.

18 Unit Department of Medicinal Chemistry & Pharmacognosy

Item Linear Ion Trap Tandem Mass Spectrometer for Proteomics consisting of linear ion trap mass spectrometer, nano-spray ion source, triple stage turbo pump, vacuum pumps, electron multiplier detection system, integrated syringe pump, injector/divert valve, zoom scan, auto tune, advanced scanning modes, computer, software, software license, two-year extended warranty, installation and training.

Cost \$319,885 f.o.b. destination, freight included

Vendor Thermo Electron North America, LLC, West Palm Beach, Florida

Other Bids Received:

Agilent Technologies, Inc., Wilmington, Delaware

\$334,118

Freight included

Competitive bid requirements were followed in accordance with the Illinois Procurement Code. Two bids were received and one was disqualified for failure to meet specifications.

Funds for this purchase are available from a grant from the National Institute of Health, entitled "2D HPLC Tandem Mass Spectrometer for Proteomics."

The equipment will be used by biomedical researchers in the new field of proteomics, involving the study of proteins and their interactions. The key to understanding human function, both normal and abnormal, lies in the complex interactions that occur among proteins in response to each other and to their environment. Proteomics can provide critical information regarding human health at a molecular level, long before symptoms appear, and lead to tailoring drugs to meet individual needs.

The equipment is under a one-year warranty, and two additional years of extended warranty (\$33,300) is included in the purchase price. Purchase of the extended warranty with the equipment will provide a 10% discount from warranty list price.

19 Unit College of Medicine, Information Systems

Item Review of existing College of Medicine electronic patient information systems to be conducted during the period April 15, 2006 through December 31, 2006 with the option to renew for two additional twelve month periods subject to continuing need, satisfactory performance, and availability of funds with the Comptroller authorized to exercise such options. Any increases in hourly rate for the renewal periods will be capped at 3%.

Cost \$120,600 total estimated project cost

Vendor The Foster Group, Inc., Chicago, Illinois

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. Four responses were received and evaluated by a committee comprised of College of Medicine IT staff. The award was based on a total point assessment that considered technical merit, understanding of existing systems, support, overall quality of response, and price.

Proposals Received

Point Summary of Proposals

(Maximum Score of 1,500)

The Foster Group, Chicago, Illinois	1202
The Revere Group, Chicago, Illinois	1128
Healthlink, Inc., (an IBM Company), Houston, Texas	882
Berbee, Chicago, Illinois	729

The recommended firm, The Foster Group, ranked first in total scoring and first in hourly pricing after the best-and-final offers. The Foster Group's proposal was deemed the best overall based on their technical skills (including extensive knowledge of systems currently in use such as Unix, Netware, and Windows NT), auditing and security experience, familiarity with academic environments, and a competitive hourly rate.

The services to be provided include a review of all College of Medicine systems that are outside the UIMCC medical record system environment to verify that these systems satisfy HIPAA (Health Information Privacy and Accountability Act) security requirements and that the College has appropriate policies and procedures in place to ensure an appropriate level of ongoing security, maintenance and review.

Urbana-Champaign Campus

20 Unit Facilities and Services

Item Labor and materials for the replacement of two elevators at the Pennsylvania Avenue Residence Halls

Cost \$219,500 f.o.b. delivered and installed

Vendor ThyssenKrupp Elevator Company, Peoria, IL

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. The award is being given to the lowest bidder meeting specifications.

Other Bid Received:

KONE, Inc., Peoria, IL \$294,112

The elevators being replaced are over 35 years old, not compliant with current safety regulations, and the technology and wiring is out of date. Work will be performed during the summer after commencement.

21 Unit Urbana-Champaign Campus Libraries

Item Broker services for the acquisition of Western European books and monographs from Germany and Austria for the University of Illinois at Urbana-Champaign libraries. This is an initial 15 month contract for the period beginning April 2006 through June 30, 2007, with options to renew for eight more fiscal year periods. The pricing structure is based on the publisher's list price at time of order through all option years, subject to the availability of funds, continuing need and satisfactory performance, with the Comptroller authorized to exercise such options.

Cost \$302,000 per year (estimated)

Vendor Otto Harrassowitz GmbH & Co., Wiesbaden, Germany
9 other firms were invited to bid; 5 firms did not respond; 3 firms were awarded broker services contracts for other countries at dollar amounts under the Board of Trustees approval threshold; and 1 firm was not competitive in its proposal for services in the country for which services were offered (France).

There are thousands of independent book publishers in Germany. This contract will allow the Library to save time and labor costs by having one source for processing many small orders that publishers will not process efficiently. Additionally, based on the volume of book and monograph orders being channeled through its firm, Otto Harrassowitz GmbH & Co. offers the Library many value added services such as electronic invoicing, book tracking and expedited delivery. The Library will also receive premium delivery service at regular delivery price.

The estimated dollar amount is based on the previous history of purchases for approval plan books (orders to send all new books published based on specific criteria for approval), firm orders (one time orders for a specific title(s)), and standing orders (orders for publications published infrequently and required by the library whenever published) for books and monographs from Germany and Austria. The final amount may be more or less, dependent upon actual requirement.

22 Unit School of Chemical Sciences

Item Two mass spectrometer systems – one high capacity ion trap mass

spectrometer and one orthogonal time-of-flight mass spectrometer including shipping, training, installation, and warranty.

Cost \$415,000 f.o.b. delivered and installed

Vendor Bruker Daltonics, Billerica, MA

Other Bid Received:

Agilent Technologies, Wilmington, DE \$535,149

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

Competitive bidding procedures were followed in accordance with the Illinois Procurement Code. There was only one qualified bid response.

These mass spectrometer systems will be used for multiple research and instruction applications including research studies on neurotransmitter brain technology and DNA mapping.

Having these instruments available on the UIUC campus will allow doctoral students in chemistry, neuroscience, and physiology access to state-of-the-art equipment, which will benefit and further their training, as well as provide unique learning opportunities.

23 Unit Department of Aerospace Engineering

Item Research Wind Tunnel Model

Cost \$217,877 f.o.b. delivered

Vendor Tri Models, Inc., Huntington Beach, CA

The award evaluation was based on a total points assessment that considered the ability to complete the project in a timely manner; working familiarity with this type of project; contractor ability to plan work on the contingency of pending approvals; and demonstrated ability to design, fabricate, and inspect large high-fidelity wind tunnel models; warranty; and price.

Results of the evaluation are summarized below.

Proposals Received

Point Summary of Proposals
(Maximum Score of 150)

Tri Models, Inc., Huntington Beach, CA	106
Advanced Technologies, Inc., Newport News, VA	45

The competitive RFP process for this research wind tunnel model was completed in compliance with the Illinois Procurement Code. Two responsive proposals were received.

The funding for this purchase will be provided by a grant from NASA.

This wind tunnel will be used for aircraft wing icing research and its effects on craft stability and is being undertaken in collaboration with NASA and its counterpart in France, ONERA. This wind tunnel model will be shipped to the largest research wind tunnel in the world at ONERA, Centre du Fauga in Mauzac, France, and will be used in an interdisciplinary research project on the aerodynamics of wing icing.

24 Unit Campus Information Technologies and Educational Services (CITES)

Item	Dense Wavelength Division Multiplexing (DWDM) Equipment for University of Illinois Intercampus Communications Network (ICCN) Dark Fiber Ring activation.
Cost	\$1,319,000 f.o.b. delivered
Vendor	Movaz Networks, McLean, VA

The award evaluation was based on a total point assessment that considered technical merit and price. A six-year cost of ownership was calculated for each vendor.

<u>Proposals Received</u>	<u>Point Summary of Proposals (Maximum Score of 10,000)</u>
Movaz Networks, McLean, VA	9,503
ADVA, Mahwah, NJ	8,875
Meriton, Holley Springs, NC	8,596
Verizon/Fujitsu, Bloomington, IL	8,395
WilTel/Meriton, Bridgeton, MO	8,014
Tropic, Plano, TX	7,800
WilTel/Nortel, Bridgeton, MO	7,137
SBC/Cisco, Springfield, IL	6,905

The competitive RFP process for this DWDM equipment for dark fiber was completed in compliance with the Illinois Procurement Code. A total of eight responses were received. All responses were evaluated. An

evaluation committee comprised of representatives from all three campuses used a point system that was predetermined prior to the RFP opening to evaluate the eight responses received.

This equipment will be used for University of Illinois ICCN Dark Fiber Ring activation. The primary goal for the dark fiber is to provide high speed, reliable Internet and research connectivity between the Chicago, Champaign-Urbana, and Springfield campuses.

25 Unit Campus Information Technologies & Educational Services (CITES)

Item 7 Mirapoint M5000 SAN-capable Message Servers with 3-year support and associated migration services for upgrade of campus e-mail service.

Cost \$ 269,700 Hardware
 \$ 44,000 Implementation Services
\$ 154,416 3-year prepaid support agreement
 \$ 468,116 Total

Vendor The Newman Group, Dexter, MI

In accordance with the requirements of the Illinois Procurement Code, this purchase qualifies as a sole source procurement from the only economically feasible source. The Newman Group is the value-added partner who originally provided the Mirapoint e-mail messaging solution to the Urbana-Champaign campus. Mirapoint has designated The Newman Group as the sole registered reseller authorized to offer the Mirapoint product with the associated discounts and trade-in allowances to the Urbana-Champaign campus.

This purchase is an upgrade of existing Mirapoint servers for UIUC campus e-mail. Mirapoint is the sole manufacturer of message servers compatible with the currently deployed hardware for CITES Express E-mail. While other e-mail solutions exist as combinations of hardware and software, the Mirapoint solution is an appliance solution. An appliance is a turnkey system comprised of integrated software and hardware components and allows a single vendor point of support. The current message servers will soon be at the end of their service life and CITES intends to upgrade the old message servers with the current generation of message servers to handle increased volume and avoid any potential for service downtime. With this upgrade, new hardware will replace the existing hardware and users will see no difference in service provided other than improved performance.

The prices are considered reasonable and acceptable.

University Administration

26 Unit	Administrative Information Technology Services (AITS)
Item	Maintenance on SCT Banner add-on modifications in FY2006 and maintenance for FY2007 for baseline applications and add-on modifications.
Cost	\$ 199,675 Maintenance for add-on modifications for FY06 <u>\$ 1,204,633</u> Estimated maintenance for FY07 \$ 1,404,308 Total estimated cost
Vendor	SCT Software & Resource Management Corp., Malvern, PA

A Request for Proposal (RFP) process in FY2000 served as the basis for selecting SCT as the University's ERP system. Consistent with a subsequent Board recommendation (May 19, 2005 meeting - roll call item #20) authorizing expenditure for on-going maintenance and professional services related to the SCT Banner platform, a review of alternative providers and costs has been performed.

In accordance with the requirements of the Illinois Procurement Code, this purchase qualifies as a sole source procurement from the only economically feasible source, SCT. This purchase is a sole source because no alternative provider can provide maintenance services to the proprietary SCT Banner system code. An assessment of maintenance service providers and costs was conducted, including a review of standard IT ERP maintenance practice by Gartner, the leading independent source for research and analysis on the information technology industry. This assessment and Gartner's information confirmed that ERP maintenance on proprietary systems is provided by the manufacturer or, in some cases, by authorized value-added resellers. SCT does not work through a value-added arrangement for its maintenance. Additionally, an assessment of the costs indicates that the maintenance fees are reasonable and the rate of escalation guaranteed to the University is actually atypical and lower than those applied by other ERP providers.

As the University continues to enhance its use of the Banner system, add-on modifications to the SCT product have been required to meet the University's needs. In order to insure that the University requested modifications are upgraded and supported by SCT, it is necessary to cover the related modification maintenance costs in addition to those associated with the baseline Banner applications.

The prices are considered reasonable and acceptable.

CHANGE ORDERS RECOMMENDED

Chicago Campus

1 Unit Human Resources Department

Item Change Order to increase expenditures for temporary personnel to be provided on an as-needed basis for the period of April 1, 2006 through June 30, 2007. Prices will be firm for the initial period of the contract and subject to negotiated change for exercised option periods based upon successful performance.

Cost \$900,000 (estimated)

	Original amount (estimated)	Change order (estimated)	New total (estimated)
FY06	\$1,923,800	\$675,000	\$2,598,800
FY07	\$1,923,800	\$225,000	\$2,148,800

Vendor Banner Personnel Service, Inc., Chicago, Illinois
 Medical Staffing Network, N. Aurora, Illinois
 Medix Staffing Solutions, Lombard, Illinois
 Seville Staffing, Chicago, Illinois
 Staffing Team, Chicago, Illinois

In May 2003 the Board of Trustees approved expenditures with a group of vendors to provide temporary services for a three-year period (June 1, 2003 through June 30, 2006), with options to renew for three additional one-year periods through June 30, 2008. Expenditures were estimated at an aggregate amount of \$1,923,800 annually, to be allocated among the five approved agencies depending upon the needs of UIC departments. The five vendors listed above were selected through a Request for Proposal in accordance with the Illinois Procurement Code.

Expenditures for FY06 have increased due to an unanticipated demand by Hospital Pathology Laboratories for several categories of temporary employees provided by Medical Staffing Network.

An increase of \$675,000 is necessary for the balance of FY06, as well

as an increase of \$225,000 for the first several months of FY07 so that Pathology Labs can continue to meet demands while seeking to hire full-time, permanent employees to fill vacancies.

2 Unit Hospital/Pathology Laboratories - Molecular Pathology

Item Change Order for estimated quantities of reagents and supplies to be purchased during the period ending June 30, 2006. The reagents and supplies will be used in conjunction with one COBAS Amplicor analyzer and one Heraeus ultra-centrifuge for the detection, measurement and monitoring of patient HIV viral loads.

Cost \$150,000.00 f.o.b. delivered (estimated)

Vendor Roche Diagnostics Corporation, Somerville, NJ

The original purchase was approved by the Director of Purchases on July 6, 2005 for the time period of July 1, 2005 to June 30, 2006 in the amount of \$190,000. This recommendation is requesting an increase in the amount of \$150,000, for a total estimated expenditure of \$340,000 through the remainder of Fiscal Year 2006. This increase is required due to the increased volume of testing resulting from the University Outreach Program. The Outreach Program is a revenue-generating initiative whereby Pathology Labs provides laboratory testing services for outside agencies and organizations. Pathology Labs has agreements with the City of Chicago, Cook County Bureau of Health Services, and the State of Illinois Department of Human Services, and have recently been awarded a contract for reference testing for 23 more Illinois state prisons. This unexpectedly rapid growth has resulted in a need for additional reagents and supplies to perform the test.

The purchase is a sole source because there is only one economically feasible source for the equipment, reagents and supplies. The equipment and technology is patented by Roche Diagnostics, and the reagents and supplies must be purchased from Roche to assure complete compatibility with the equipment. None of these items are available from distributors or dealers.

Roche is the only vendor that offers an FDA approved automated instrument that will extract HIV RNA from patient specimens. Roche is the only vendor that offers an FDA-approved process for polymerase chain reactions in the range of 400 to 750,000 copies of the HIV virus. This sensitivity and range is crucial to detect newly diagnosed HIV patients, whose viral load would be high, and also those patients on treatment that are being monitored and whose viral load should be

decreasing over time.

Pricing includes the no-charge provision of the two instruments for the remainder of the Fiscal Year 2006. The University will not take title to the equipment.

The estimated expenditure is calculated by multiplying the estimated quantity of reagents and supplies by the unit cost per item. Actual expenditures will vary based upon actual quantities used.

The price is considered reasonable and acceptable.

SUMMARY OF PURCHASES	
(Rounded to nearest dollar)	
Chicago Campus	\$11,117,809
Urbana-Champaign Campus	2,941,493
University Administration	1,404,308
Recommended from Institutional Funds	
Grand Total	\$15,463,610
SUMMARY OF CHANGE ORDERS	
(Rounded to nearest dollar)	
Chicago Campus	\$1,050,000
Recommended from Institutional Funds	
Grand Total	\$1,050,000