Approved by the Board of Trustees

July 21, 2022

**30**

Board Meeting

July 21, 2022

ROLL CALL

PURCHASE RECOMMENDATIONS

Following are purchase recommendations proposed by each University and the System Office. The purchases are to be funded from State appropriations or institutional funds as appropriate. Unless otherwise specified or indicated, purchases are based on the lowest acceptable bid. The Interim Vice President, Chief Financial Officer, and Comptroller has approved all purchases to be funded from State appropriations in accordance with the *Bylaws of the Board of Trustees* and the *General Rules Concerning University Organization and Procedure.*

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*, the *Bylaws of the Board of Trustees* and Board of Trustees policies and directives.

The President of the University concurs.

**PURCHASES RECOMMENDED**

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| **University of Illinois at Chicago** |

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| 1 | Unit | UI Hospital and Clinics |
|  | Item | Medical Courier Services for UI Hospital Laboratories |
|  | Cost | $ 8,500,000 (estimated) for the period July 22, 2022 – July 21, 2027  With no renewals  $1,700,000 (estimated) annual cost |
|  | Vendor | MedSpeed LLC Elmhurst, IL |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).  UI Hospital uses medical courier services to transport patient specimens, medical supplies, and equipment between its laboratories and various outreach clients throughout the State of Illinois. MedSpeed was originally selected in 2017 following a competitive bid process. Current transport volume averages over 22,000 scheduled stops per year at 175 locations. Lab clients include various state agencies, hospitals, and physician offices. UI Hospital has been satisfied with the services provided by MedSpeed. Pricing is based on the volume of services and the pickup locations.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the Illinois Procurement Code. |

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| 2 | Unit | UI Hospital and Clinics |
|  | Item | Clinical Laboratory Testing Services |
|  | Cost | $ 12,500,000 (estimated) for the period July 22, 2022 – July 21, 2025  With no renewals  $ 4,167,000 (estimated) annual cost |
|  | Vendor | ARUP Laboratories Salt Lake City, UT |

This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).

The UI Hospital sends out testing for patients which cannot be performed in the in-house laboratory. Associated Regional and University Pathologists (ARUP) Laboratories provides a wide range of testing and is the largest referral laboratory used by the Hospital. ARUP has been used since 2007 and results are interfaced with the Hospital’s electronic medical record. The current spend is $3.7 million per year. The requested amount reflects estimates for volume growth and inflation over the next several years.

The Hospital performs testing in-house when feasible both logistically and

financially, and all testing is reviewed by its Laboratory Practice and Utilization Committee. The Hospital would incur a significant expense for labor and equipment to bring this testing in-house.

Business Enterprise Program (BEP) goals are not established for contracts which are exempt from the requirements of the Illinois Procurement Code.

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| 3 | Unit | UI Hospital and Clinics |
|  | Item | Laboratory Reagents and Supplies for Testing |
|  | Cost | $ 11,000,000 (estimated) for the period July 22, 2022 – July 21, 2027 with no renewals  $ 2,200,000 (estimated) annual cost |
|  | Vendor | One Lambda, Inc Canoga Park, CA |

This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).

The UI Hospital and Clinics’ organ transplant program is an area of focus in its strategic plan, and a Transplant Clinic will be part of the new Specialty Care Building opening in 2022. In 2021, over 400 kidney, liver, pancreas, and small bowel transplant procedures were performed. Transplant patients receive various laboratory tests during initial work-up, while waiting for a donor organ, before and after transplant. One Lambda is the leading vendor in the U.S. providing reagents used in this testing. As program volumes have increased, the initial award to this vendor in 2020 for $2.5 million over five years and is no longer sufficient to support the current level of testing. FY22 spend on these reagents is estimated at $1.5 million. The requested amount of $11 million is based on estimates of program growth and inflation in future years.

Business Enterprise Program (BEP) goals are not established for contracts which are exempt from the requirements of the Illinois Procurement Code.

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| 4 | Unit | Office of Managed Care |
|  | Item | Administrative and Management Services for Student Health Benefit Plan and the Physicians Group Risk Contracts |
|  | Cost | $ 10,543,275 (estimated) Administrative and Management cost  + 31,500,000 (estimated) Pass-through cost for out-of-network claims  $ 42,043,275 (estimated) Total for 5 years  $2,108,655 - Annual estimated Administrative and Management cost  $6,300,000 - Annual estimated Pass-through cost for out-of-network claims  One (1), 2-year Renewal Option |
|  | Vendor | Innovista LLC. Oak Brook, IL |

Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30ILCS 500/20-15).

* Vendor will provide administrative and management services for the coordination of benefits and patient claim processing services for CampusCare and Managed Care’s Blue Cross and Blue Shield HMOs Risk Agreements.
* Vendors must be certified by Blue Cross and Blue Shield to perform these services.
* Vendor shall have the capability to provide Electronic Data Interchange of information.
* Vendor will analyze claim data, including but not limited to benefit utilization, referrals, departmental activity, utilization by top disease and procedural codes, prescription activity, and other cost and utilization trends that demonstrate individual and overall health plan activity, that may result in financial savings/or organizational efficiencies, or that may assist in future benefit plan design.
* Vendor shall resolve any discrepancies and provide monthly financial statements.
* The initial term of this contract shall be for five years, with an estimated total value of $10,543,275.00 for the administrative and management cost to process the claims.
* An estimated $31,500,000 will be provided to Innovista for the payment of out-of-network claims. This amount is 100% pass-through.
* The contract shall have a single two-year renewal option.
* Innovista LLC. is the current vendor and has held the contract for the last 5+ years. Innovista LLC has provided excellent service to the University, under this contract.
* Innovista LLC. received the highest technical score of the two vendor responses.
* Innovista LLC. provided excellent references with experience working with over 20 healthcare organizations. Innovista manages over 500,000 covered lives.

A 30% aspirational BEP goal was established for this procurement, applicable only to the administrative and management costs of this contract, and not to the pass-through amounts for out-of-network claims payments.  The RFP required that to be successful, an offeror must be certified by Blue Cross and Blue Shield as a Contract Management Firm (CMF) to perform these services.  This limited competition to 3 vendors, and none are BEP firms.  As such, Innovista, LLC requested a full waiver for the 30% BEP aspirational goal for this procurement.

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| **University of Illinois at System Office** |

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| 5 | Unit | SHIELD Illinois Deployment |
|  | Item | COVID-19 Saliva Testing Sample Collection and Courier Services |
|  | Cost | |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Estimated Total $16M   |  |  |  | | --- | --- | --- | | **Vendor** | **Contract Term** | **Estimated Amount** | | Preventative Health Partners IL, S. C. | July 22, 2022 through June 30, 2023 | $8M | | Transpara EHLP, LLC dba Zebra Health Solutions | July 22, 2022 through June 30, 2023 | $8M | | |
|  | Vendor | |  |  | | --- | --- | | **Vendor** | **Location** | | Preventative Health Partners IL, S. C. | Lake Bluff, IL | | Transpara EHLP, LLC dba Zebra Health Solutions | Seattle, WA | |
|  |  | Exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30 ILCS 500/1-13).  These contracts are for the collection of saliva samples for COVID-19 testing and courier services with the two vendors identified above. These vendors have been previously contracted with to provide these services; however, their contracts expired 6/30/2022. SHIELD Illinois is reducing the number of collection and courier service providers from the previously contracted seven providers down to these two. Contracts with Preventative and Transpara have been previously approved by the Board.  All values are estimated. Actual spend will be determined by the volume of COVID-19 testing conducted through the fiscal year's end. It is important to note that vendors will not be paid unless specimens are collected and delivered to a SHIELD lab for testing. Costs for these services will be paid for through the SHIELD Illinois Intergovernmental Agreement (IGA) with the State of Illinois Department of Public Health and payments from test site partners to provide COVID-19 testing to public schools (k-12), community colleges, and the general community of Illinois residents at large.  SHIELD Illinois operates a network of high-capacity laboratories certified under the Clinical Laboratory Improvement Amendments. These labs conduct the University of Illinois’ rapid, low-cost, saliva-based, covidSHIELD test under Emergency Use Authorization from the U.S. Food and Drug Administration.  To efficiently collect the volume of samples for testing and to transport them to the labs from across the State, SHIELD Illinois needs these contracts with 3rd party providers to conduct specimen collections and courier services. These companies will be compensated between $8.00 per test which will be paid for through the per-test cost paid by DPH or testing partners.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the IL Procurement Code. |
|  |  | **RENEWAL OPTIONS RECOMMENDED** |
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| **University of Illinois at Chicago** |

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| 6 | Unit | Office of the Vice Chancellor for Administrative Services |
|  | Item | Renewal of existing agreement with Monterrey Security Consultants, Inc. for unarmed security guard services for crime prevention throughout the University campus. Services will be for a two (2) year period beginning September 10, 2022 through September 9, 2024. There are two two-year renewal options remaining. |
|  | Cost | $3,550,000.00 (estimated) |
|  | Vendor | Monterrey Security Consultants, Inc. Chicago, Illinois |

Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30 ILCS 500/20-15).

In Fiscal Year 2018, the University issued a request for proposal for unarmed security services under RFP# IJW050. Monterrey Security Consultants, Inc., United Security Services, Inc. and Allied Universal Security Services received approval for a four-year contract award. Contracts were successfully negotiated with Monterrey Security Consultants, Inc. and United Security Services, Inc. for the period beginning September 10, 2018 through September 9, 2022 with the option to renew for three (3) two (2) year periods, subject to continuing need, availability of funds, and satisfactory performance. The IJW050 award did not require BOT approval at that time because the estimated spend per fiscal year was below the threshold for BOT review/approval.

The UIC Police Department has increased the number of Monterrey Security Consultants, Inc. unarmed security guards that are deployed under this award. This increase was used to provide additional indoor fixed post positions, outdoor roving patrols, and vehicle patrols of the parking garages. The frequency of these services including the number and type of patrols have remained at an increased level over the past 24 months in parking structures and other outdoor campus areas. The UIC Police Department does not anticipate that they will be able to safely decrease these service levels due to the ongoing risk of criminal activity around the campus.

It was determined that a new solicitation will be issued to request adequate funding and staffing levels for the current need of this service. At this time, the department will not be able to complete the procurement process prior to the expiration of the initial term of this contract. To avoid the loss of services under this award, the department has requested to exercise one of the three renewal options for Monterrey Security Consultants, Inc. These additional funds will allow the UIC Police Department to address operational needs for these services through the completion and award of the new solicitation.

The goal for BEP participation under RFP #IJW050 was 25%, and the goal for Veteran-owned business participation was 3%. The updated aspirational goal for BEP participation under Renewal 1 is 30%. Monterrey Security Consultants, Inc. is currently meeting its goal, and also submitted a BEP Utilization Plan and has been certified as an MBE by the City of Chicago; they will self-fulfull the BEP Goal. The vendor will continue to utilize Halo Security Group for the Veteran-owned business.

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| **SUMMARY OF PURCHASES** | |
| University of Illinois at Chicago | $ 74,043,275 |
| University of Illinois at System Office | $ 16,000,000 |
| Recommended from Institutional Funds  Grand Total | $ 90,043,275 |
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| **SUMMARY OF RENEWALS** |  |
| University of Illinois at Chicago | $ 3,550,000 |
| Recommended from Institutional Funds  Grand Total | $ 3,550,000 |
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