

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 Assistant Vice President for Procurement Services 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**

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**Chicago**

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1 Unit      UI Health, Hospital Surgical Services

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Item      Spinal implant systems for the period June 1, 2017 through May 31, 2018.

Cost      \$12,000,000.00 (estimated)

Vendor    K2M Group Holding Inc, Leesburg, VA

This purchase is a justifiable sole source since the items are patented and the vendor is the only manufacturer. Sole source procedures were followed in accordance with the Illinois Procurement Code.

The vendor will provide high quality and innovative proprietary spinal implant systems consisting of plants, screws, cages, and rods for use by orthopedic and neurosurgical spine surgeons on an as-needed basis to treat some of the most difficult and challenging spinal pathologies, such as deformity, trauma and tumors. The K2M technology allows surgeons to use spinal implants uniquely fitted to a patient's anatomy, improving the effectiveness and safety of spinal surgery. There has been an increase in patient census over the past year for these spinal procedures. In 2015, Neurological surgeons performed 1,202 cases and during 2016, 1,424 cases were performed. Each spinal implant system can range from \$6,000.00 to \$27,000.00 per case, based on the anatomy of the patient and surgical complexity of the case.

Pricing reflects discounts ranging from 30% to 70% off the list price of the supplies.

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### Springfield

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#### 2 Unit Human Resources

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Item Purchase of student accident and illness insurance plan for the period of August 16, 2017 through August 15, 2018.

Cost \$2,100,000.00 (estimated)

Vendor Academic Health Plans/Blue Cross Blue Shield, Grapevine, TX

Proposals Received

Point Summary of Proposals  
(Maximum Score of 1,000)

Academic Health Plans/Blue Cross Blue Shield, Grapevine, TX	965
Aetna Student Health, Hartford, CT	893
Haylor, Freyer & Coon, Syracuse, NY	893
Academic Health Plans/United Healthcare, Grapevine, TX	883
Academic Health Plans/NGL, Grapevine, TX	873

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

The vendor will provide students with a comprehensive accident and illness insurance plan and provide students with local providers that are in-network, the opportunity to find providers that are out-of-network and prescription services.

The University requires all registered students either participate in the University of Illinois at Springfield (UIS) Student Health Insurance Plan or provide proof of comparable insurance, called a hard waiver. The University assesses the Student Health Insurance fee each semester and the University subsequently provides an electronic submission of eligible students to the insurance company. The vendor will handle enrollment of spouse and dependents and collection.

Pricing is based on an estimated number of enrolled students for the Fall 2017, Spring 2018, and Summer 2018 semesters. Negotiations resulted in a best and final offer that will recognize an estimated cost savings of \$60,000 for the life of the contract.

### **RENEWAL OPTIONS RECOMMENDED**

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#### **Urbana-Champaign**

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1	Unit	Utilities Administration
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Item	Renewal option for purchase of coal, including by-product waste disposal services, for the period July 1, 2017 through June 30, 2018.
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Cost	\$9,000,000.00 (estimated)
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Vendor	Knight Hawk Coal, LLC, Percy, IL
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This will exercise the fifth 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 up to 120,000 tons of coal on an as needed basis 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 only increase pricing by \$2.46, bringing our rate per ton from \$61.44 to \$63.90.

## 2 Unit Utilities Administration

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Item Renewal option for purchase of maintenance and repair work at the Utilities Production Plants for the period of July 1, 2017 through June 30, 2018.

Cost \$12,329,729.00 (estimated)

Vendor Primary: Progress Pump & Turbine Service, Inc., Schereville, IN  
\$8,000,000.00 (estimated)  
Secondary: General Electric International, Inc., Swansea, IL  
\$4,329,729.00 (estimated)

This will exercise the fourth of five renewal options to the purchase approved by the Board of Trustees on November 14, 2013, for an estimated \$12,000,000 for the period November 18, 2013, through June 30, 2014. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The Utilities Production Plants are the only source of heat and chilled water for the University of Illinois at Urbana-Champaign (UIUC). They are also the only source of electricity for a portion of the University since the UIUC electrical demand exceeds the electrical grid's import limit. It is critical to maintain a regular and predictable overhaul cycle on these large assets in the interest of providing reliable utilities for the UIUC campus.

The vendor(s) will continue to provide maintenance and repair work under this agreement, on an as needed basis, including services on steam turbines, generators, motors, pumps, and fans. The contract also allows access to utility and industrial grade repair expertise, tooling, inspection services, and project management.

The primary vendor has agreed to hold pricing firm through the renewal period. The secondary vendor increased pricing by 2% but will only be utilized in the event that the primary vendor cannot handle the extent of the maintenance and repair work.

### 3 Unit University Payroll & Benefits, Campus Auxiliary Services

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**Item** Renewal option for Student Health Insurance and routine administrative services, including claims adjudication and claim payments for students at the University of Illinois at Urbana-Champaign campus students for the period of August 21, 2017 through August 20, 2018.

**Cost** \$29,000,000.00 (estimated)

**Vendor** United Healthcare Services Inc., St. Petersburg, FL

This will exercise the second of eight renewal options approved by the Board of Trustees on March 12, 2015, for an estimated \$25,000,000 for the period August 21, 2015, through August 20, 2016. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.

The vendor will continue to provide student health insurance as well as routine administrative services, including claims adjudication and claim payments through a Student Health Insurance Plan (SHIP) designed as a preferred provider organization (PPO) model that must offer two levels of coverage payment of 80% of usual and customary charges for non-network providers, and 80% of the preferred allowance for in-network providers.

The University requires all registered students either participate in the University of Illinois at Urbana-Champaign (UIUC) Student Health Insurance Plan (SHIP) or provide proof of comparable insurance, called a hard waiver. The University assesses the SHIP fee each semester and the University subsequently provides an electronic submission of eligible students to the insurance company. The vendor will handle enrollment of spouse and dependents and collection.

The vendor has demonstrated satisfactory performance in fulfilling the terms and conditions of their contract. Renewal pricing is based on negotiations between the University and vendor and on the overall loss ratio and the estimated number of enrolled students for Fall 2016, Spring 2017 and Summer 2017 semesters based off historical data.

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**Chicago**


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**4 Unit University Human Resources**


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**Item** Renewal option for purchase of Temporary Personnel Services required for the University of Illinois at Chicago (UIC) and the University of Illinois Hospital and Health Sciences System (UIHHSS) from July 1, 2017 through June 30, 2018.

**Cost** \$4,747,172.00 (estimated)

**Vendor** Maxim Staffing Solutions, Chicago, IL (Primary Category: 4, 5, 9)  
Premier Staffing Source, Lanham, MD (Primary Category: 1, 2, 6-8, 10-12)  
Staffing Team, Chicago, IL (Primary Category: 3)

This will exercise the second of two renewal options to the purchase approved by the Board of Trustees on May 29, 2013 for an estimated \$14,241,516 for the period July 1, 2013 through June 30, 2016. Competitive selection procedures were followed in accordance with the Illinois Procurement Code.

The aforementioned vendors will provide temporary staff on an as needed basis in twelve identified categories for the University of Illinois at Chicago and the University of Illinois Hospital and Health Sciences System. Those twelve categories are:

- Category 1: Pathology Laboratories
- Category 2: Diagnostic Services
- Category 3: Dental Assistants
- Category 4: General
- Category 5: Medicine
- Category 6: Information Technology
- Category 7: Therapy
- Category 8: Materials Management & Facility
- Category 9: Pharmacy
- Category 10: Business Healthcare
- Category 11: Food & Nutrition
- Category 12: Social & Behavioral

The temporary staff will be used by University departments to assist with clerical, administrative, technical, and medical support needs. One of the

primary vendors, Premier Staffing Source, is a certified MAFBE firm, owned by an African-American female.

The vendors have demonstrated satisfactory performance in maintaining adequate personnel and fulfilling the terms and conditions of their contract. The University was able to negotiate the initially awarded price increase for this renewal period from 3% down to 2%, which resulted in the cost saving of \$44,624 annually..

<b>SUMMARY OF PURCHASES</b>	
Chicago	\$12,000,000.00
Springfield	\$ 2,100,000.00
Recommended from Institutional Funds	
Grand Total	\$14,100,000.00
<b>SUMMARY OF RENEWALS</b>	
Urbana-Champaign	\$50,329,729.00
Chicago	\$ 4,747,172.00
Recommended from Institutional Funds	
Grand Total	\$55,076,901.00