Approved by the Board of Trustees

March 17, 2022

**36**

Board Meeting

March 17, 2022

ROLL CALL

## PURCHASE RECOMMENDATIONS

Following are purchase contracts 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**

**University of Illinois at Springfield**

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| 1 | Unit | UIS Human Resources | | | | | |
|  | Item | Purchase of student accident and illness insurance plan for August 16, 2022 through August 15, 2023 (no renewals). | | | | | |
|  | Cost | $ 2,000,000 (estimated) | | | | | |
|  | Vendor | Academic Health Plans (Blue Cross Blue Shield plan) Grapevine, Texas | | | | | |
| **Vendor** | **Technical Score**  **(Max 1,000)** | **Pricing Score (Max 300)** | **Combined Score (Max 700)** | **Rank** | |
| Academic Health Plans/Blue Cross Blue Shield IL, Grapevine, Texas | 695.33 | 300 | 995.33 | 1 | |

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

Academic Health Plans will provide a student accident and illness insurance plan to the University of Illinois Springfield from August 16, 2022 through August 15, 2023 (Fall 2022, Spring 2023, and Summer 2023 semesters).

A Best and Final Offer was negotiated, and cost savings are estimated at

$25,781.00 for the life of the contract.

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|  | Fall Semester 2022 | Spring Semester 2023 | Summer Semester 2023 |
| Per individual enrollee | $1,041 | $1,041 | $529 |

**University of Illinois at System Office**

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| 2 | Unit | System Purchasing & Support Services and the Office of Procurement Diversity |
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|  | Item | IT Hardware and Software (Sheltered Market) |
|  | Cost | Initial Term: $34,000,000 Estimated; Term upon contract execution – June 30, 2026  Renewal Option: 1 four-year renewal option – $30,000,000 estimated |
|  | Vendor | PIER Group LLC Jasper, IN  Competitive solicitation procedures were followed in accordance with the Illinois Procurement Code (30 ILCS 500/20-15). This solicitation was conducted as a sheltered market request for proposal (RFP) as allowed pursuant to the Business Enterprise Program Council’s July 12, 2013 resolution. Only certified Business Enterprise Program (BEP) participants were considered for the award.  In July of 2013, the BEP Council reviewed anecdotal evidence and a disparity study and found a strong basis in evidence to determine that discrimination is present in specific sectors of the IT/Telecom industry. The BEP Council declared that a sheltered market should exist in those IT/Telecom industry sectors where a disparity has been demonstrated.  The University utilized this declaration to solicit IT hardware and software resellers that are certified BEPs. This is only the second known sheltered market solicitation conducted by the University, the first was for IT consulting services. The intent of this solicitation was to increase BEP participation for the purchase of IT hardware and software.  The awarded vendor will provide all the various detailed supplies and services specifically set forth in the RFP. The RFP process resulted in one vendor award to PIER Group, LLC for IT hardware and IT software. This is a strategic award and will be usable across the University of Illinois System.  A total of two proposals were received. Evaluation points and ranking for both hardware and services were as follows.   |  |  |  | | --- | --- | --- | | Vendor Name | Total Evaluation Points | Ranking | | PIER Group, LLC | 982.00 | 1 | | Pace Systems | 943.93 | 2 | |
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PIER Group, LLC is a woman-owned certified BEP, and 100% of their participation on this award will be countered towards the University’s BEP goal.

**University of Illinois at Chicago**

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| 3 | Unit | UI Hospital and Clinics |
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|  | Item | Purchase of human organs for transplantation, including tissue and histocompatibility testing from July 1, 2022 through June 30, 2027 with no options to renew. |
|  | Cost | $ 55,000,000 (estimated) |
|  | Vendor | Gift of Hope Organ and Tissue Donor Network Itasca, Illinois  Exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).  The Gift of Hope Organ and Tissue Donor Network (GOH) is a federally qualified Organ Procurement Organization (OPO) that provides a coordinated organ and tissue recovery program to support all transplants in most Illinois and Northern Indiana. Per federal regulations, all transplant programs must obtain donor organs from qualified OPO’s. As an OPO, Gift of Hope provides distribution of organs according to established protocols; central histocompatibility lab services for donor matching; patient/donor educational programs; notification of organ availability; assistance in transportation of organs; and other related services.  Transplant is one of the Hospital’s clinical programs that has been identified as a strategic focus and near-term priority in its strategic plan, and a Transplant Clinic will be part of the new Outpatient Surgery Center and Specialty Clinics Building. In 2021, over 400 kidney, liver, pancreas, and small bowel transplant procedures were performed. UI Health is the leading kidney transplant program in the region. Our patients rely significantly on the partnership, coordination, and service that Gift of Hope provides. Donated organs from GOH are essential to our program, and continued procurement will allow for additional growth in the next five years.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the IL Procurement Code. |
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| 4 | Unit | College of Medicine – Peoria |
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|  | Item | Purchase of professional medical services for the period of June 1, 2022 through May 31, 2027. |
|  | Cost | $ 7,900,000 (estimated) |
|  | Vendor | OSF- St. Francis Medical Center Peoria, IL  A purchasing exemption is sought for competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13 b-5).  The Department of Pediatrics has the largest clinical enterprise on University of Illinois College of Medicine’s Peoria campus. The department has grown substantially in recent years and will continue to do so in the future.  When the department cannot fill its medical staffing needs internally, it must obtain these services through an outside vendor. These needs are often fulfilled via a lease for services provided by an affiliated clinical partner, OSF St. Francis Medical Center.  It is estimated that the Department of Pediatrics will have 100-125 such leases in the next five years. Each service requires its own agreement, complete with drafting, review, processing, etc. The turnaround time is normally 4-6 months. The volume of agreements results in a significant workload for many University units. The lack of staff in the clinics while the agreements is being processed is also burden on the patients.  It is possible to reduce bottlenecks and gain efficiencies by creating a master clinical services purchase agreement. This would require the creation of a master agreement that can address the necessary verbiage in one document. Once that is agreement is signed, subsequent purchase orders can be issued against it referencing the master agreement. The purchase orders will act as sub-agreements and will include names, dates, amounts, descriptions of services provided and required dual signatures.  This exemption is sought so a master clinical services purchase agreement can be created. |

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| 5 | Unit | College of Medicine – Peoria |
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|  | Item | Purchase of non-clinical medical related services for the period of June 1, 2022 through May 31, 2027. |
|  | Cost | $ 2,100,000 (estimated) |
|  | Vendor | OSF - St. Francis Medical Center Peoria, IL  A purchasing exemption is sought for competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13 b).  This item is contingent upon approval of the purchase of the professional medical services for the period of June 1, 2022 through May 31, 2027.  The Department of Pediatrics at the University of Illinois College of Medicine-Peoria is financially self-sustaining through its clinical enterprise. Expenditures are paid from revenue earned through professional service agreements or billing to insurance companies for clinical services.  The Department of Pediatrics may procure non-clinical services that support their revenue generating operations, but are not considered direct medical services. Some examples may include scheduling, after hours call centers, and clinic front desk staff.  This exemption is sought to allow applicable non-clinical services that support the Department of Pediatrics revenue generating enterprise to be included in a master clinical services purchase agreement. . |

**RENEWAL OPTIONS RECOMMENDED**

**University of Illinois at Chicago**

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| 6 | Unit | UI Hospital and Clinics |
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|  | Item | Renewal of the pharmaceutical wholesale distributor services contract to support the UI Hospital & Clinics and Ambulatory Care pharmacies for the period beginning August 1, 2022 through July 31, 2024. |
|  | Cost | $250,000,000 (estimated) |
|  | Vendor | McKesson Corporation San Francisco, CA  This renewal will exercise the second of three 2-year renewal options for the purchase approved by the Board of Trustees on July 21, 2016. The original contract term was for the period beginning August 1, 2016 through July 31, 2020 in an estimated amount of $612,440,163. The first renewal for the period beginning August 1, 2020 through July 31, 2022 in an estimated amount of $219,708,342 was approved by the Board of Trustees on May 21, 2020.  McKesson Corporation provides discounted pricing for 340B pharmaceutical products based on the federal government guidelines for dispensing drugs to under-served patients at Disproportionate Share Hospitals (DSH) and Federally Qualified Health Centers (FQHC). The award also provided for non-340B and specialty drugs at wholesale pricing.  The vendor has demonstrated satisfactory performance in maintaining adequate stock, an efficient and effective drug purchasing dispensary process, and inventory management services compliant to 340B and other federal requirements to UI Health.  For the contract renewal period, an aspirational BEP goal of 20% was assessed. McKesson will continue to engage in ongoing good faith efforts to find, assist and utilize BEP vendors from which McKesson can legally purchase 340B pharmaceutical products based on the federal government’s guidelines for dispensing of drugs for DSH hospitals and FQHCs that satisfy manufacturers’ limitations on subcontracting single-source branded pharmaceuticals, and which meet the BEP Act and federal legal requirements for businesses which perform a commercially useful function.  It should be noted that an active RFP process is proceeding that reviews the alternatives related to this vital clinical care service and relationship. This renewal will allow for the appropriate amount of time to properly deliberate both McKesson and other alternatives without risking disruption to inpatient care. |
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**University of Illinois Urbana- Champaign**

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| 7 | Unit | Roy J. Carver Biotechnology Center |
|  | Item | Renewal option for the purchase of Reagents for DNA Analyzer Systems for the period July 1, 2022 through June 30, 2023 |
|  | Cost | $5,000,000 (estimated) |
|  | Vendor | Illumina San Diego, CA  This will exercise the fourth of five renewal options approved by the Board of Trustees on March 15, 2018, for an estimated $5,000,000 for the period July 1, 2018, through June 30, 2019. This purchase is a sole source because the items are patented, uniquely compatible with existing equipment, and the vendor is the only manufacturer and distributor.  The Roy J. Carver Biotechnology Center currently owns five Illumina DNA Sequencing Instruments, which require the use of the same vendor’s DNA Analyzer reagents. The instruments provide cutting-edge, ‘next generation’ sequencing of DNA, and each DNA run requires the use of a new reagent.  These reagents will be used for multi-disciplinary researchers in various campus departments for ongoing projects that include sequencing of small RNA, quantitative expression, de novo sequencing, and the re-sequencing of organisms for SNP (genetic markers) detection.  Negotiations resulted in discounts of 5% to 12% for a majority of the different consumable types. |

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| 8 | Unit | Utilities Administration |
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|  | Item | Renewal option for the purchase of maintenance and repair work for equipment at the Utilities Production Plants for the period of July 1, 2022 through June 30, 2024. |
|  | Cost | $72,000,000 (estimated) |
|  | Vendor | Vendors were awarded as follows:  Davis-Houk, Inc., Urbana, IL $20,000,000 (estimated)  Kennedy Tank and Manufacturing Co., Inc.,  Indianapolis, IN $20,000,000 (estimated)  Progress Pump & Turbine Services, Inc.,  Schererville, IN $20,000,000 (estimated)  ABB, Inc., Evansville, IN $10,000,000 (estimated)  International Chimney Corporation,  Joliet, IL $ 2,000,000 (estimated)  This renewal will exercise the fourth of four renewal options to the purchase approved by the Board of Trustees on May 14, 2014 for an estimated $37,000,000 for the period July 1, 2014 through June 30, 2016. 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 Urbana-Champaign campus (UIUC). They are also the only source of electricity for a portion of the campus. It is vital to have contracts in place that allow the University to move quickly to address scheduled and emergency maintenance and repairs as specific needs are identified. The University will not guarantee any minimum utilization or expenditures to any vendor during the proposed contract period, and vendors will be utilized strictly on an as-needed basis.  The maintenance and repair work under this agreement will include but not necessarily be limited to service on gas and coal boilers, gas turbines, heat recovery steam generators, ductwork, chimneys, electrical systems and equipment, chemical systems and equipment, steam turbines, chillers, cooling towers, pumps, piping systems, and plant auxiliary systems.  Pricing is based on the hourly rate for maintenance and repair work. |
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**University of Illinois System Office**

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| 9 | Unit | Consortium of Academic and Research Libraries in Illinois (CARLI) |
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|  | Item | Annual License of Full-Text Journal Article databases Academic Search Complete Business Source Elite |
|  | Cost | Renewal 2 of 8 $1,803,430 Estimated; Term July 1, 2022 through June 30, 2023  Renewals Remaining: 6 one-year renewal options –$11,200,000 estimated |
|  | Vendor | EBSCO Industries, Inc. Birmingham, AL  Exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30 ILCS 500/1-13).  EBSCO Industries, Inc. has been contracted to provide access to CARLI members for the following products: - Academic Search Complete - Business Source Elite - Consumer Health Complete - ERIC - Health Source: Consumer Edition - Health Source: Nursing & Academic Edition - MasterFILE Premier- MAS Ultra: School Edition - Military & Government collection - Newspaper Source - Primary Search - Professional Development Collection - Regional Business News.  This annual license subscription is being paid through funds appropriated by the State.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the IL Procurement Code. |

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| **SUMMARY OF PURCHASES** | |
| University of Illinois at Springfield | $ 2,000,000 |
| University of Illinois at System Office | $ 34,000,000 |
| University of Illinois at Chicago | $ 65,000,000 |
| Recommended from Institutional Funds  Grand Total | $101,000,000 |
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| **SUMMARY OF RENEWALS** |  |
| University of Illinois Chicago | $250,000,000 |
| University of Illinois Urbana-Champaign | $ 77,000,000 |
| University of Illinois System Office | $ 1,803,430 |
| Recommended from Institutional Funds  Grand Total | $328,803,430 |
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