Approved by the Board of Trustees

March 30, 2023

**25**

Board Meeting

March 30, 2023

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 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 of Illinois System concurs.

**PURCHASES RECOMMENDED**

**University of Illinois at Springfield**

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| 1 | Unit | Facilities and Services Administration |
|  | Item | Purchase of Utilities for the Springfield campus for a period of three (3) years beginning July 1, 2023, through June 30, 2026. With no renewals. |
|  | Cost | $ 10,500,000 (estimated) |
|  | Vendor | City of Springfield, Illinois (City Water, Light and Power – CWLP) Springfield, IL |
|  |  | This purchase is an intergovernmental agreement exempt from the Illinois Procurement Code pursuant to section 30 ILCS 500/1-10 (b)(1).   The University of Illinois Springfield is required by statute to purchase utilities from City Water, Light, and Power, the City of Springfield’s public utility. The statute exempts municipal systems from being required to offer alternative retail access to their customers in an effort to protect the City’s ability to recapture capital investment that was made on behalf of their residents.   The proposed pricing is considered fair, reasonable, and acceptable based upon the historical cost for these services, including previous approval for the last 3-year term July 1, 2020, to June 30, 2023. |

**University of Illinois at Chicago**

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| 2 | Unit | UI Hospital and Clinics |
|  | Item | Purchase of Pharmaceutical Drug Tecfidera for a period of five (5) years beginning April 1, 2023, through March 31, 2028. With no renewals. |
|  | Cost | $ 7,500,000 (estimated) |
|  | Vendor | Biogen Direct/Amerisource Bergen Carrollton, Texas |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).  Tecfidera is an oral medication used to treat multiple sclerosis. It is not available to patients through traditional retail pharmacies and as a brand-name drug, it can only be purchased directly from the manufacturer.  **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 | Purchase of Pharmaceutical Drug Oxbryta for a period of five (5) years beginning April 1, 2023, through March 31, 2028. With no renewals. |
|  | Cost | $ 12,500,000 (estimated) |
|  | Vendor | ASD Healthcare Frisco, Texas |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).  Oxbryta is an oral medication used to treat sickle cell disease. UI Hospital is one of a limited number of specialty pharmacies authorized to dispense this breakthrough therapy drug. It is not available to patients through traditional retail pharmacies and can only be purchased directly from the manufacturer. Oxbryta has received orphan status from the FDA as a new treatment. UI Hospital began prescribing it in December 2021.  **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 | UI Hospital and Clinics |
|  | Item | Purchase of Surgical Implants for a five (5) year period beginning April 1, 2023, through March 31, 2028. With no renewals. |
|  | Cost | $ 10,990,000 (estimated) |
|  | Vendor | KLS-Martin Jacksonville, Florida |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).  KLS-Martin provides surgical implants, devices, screws and plates used in oral-maxillofacial and plastic reconstructive surgeries. UI Hospital has used these implants for at least five years, and currently averages 300 inpatient surgeries per year using KLS-Martin products.  **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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| 5 | Unit | Office of the Vice Chancellor for Administrative Services |
|  | Item | Housekeeping and Maintenance Services $ 3,329,492 (estimated)  for a two (2) year period beginning April 1, 2023, through March 31, 2025  With four (4) optional two-year renewal periods (total 10 years) |
|  | Cost | $13,317,965 (estimated) |
|  | Vendor | Vargas Group, Incorporated Chicago, Illinois |
|  |  | Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30ILCS 500/20-15).   * Vendor will provide housekeeping and maintenance service for five buildings on UIC’s campus (Behavioral Sciences Building, Student Services Building, Science and Engineering Offices, College of Pharmacy, and College of Nursing). * Vendor shall, as requested by University, complete daily hospital-grade disinfection at campus facilities. * Vendor must provide an operational plan as well as quality assurance, customer security, and customer service plans. * The initial term of this contract shall be for two (2) years, with an estimated total value of $3,329,491.20. * The contract shall have four (4), two (2) year renewal options. * Vargas is the current vendor under an emergency purchase. Vargas has provided great service to the University under this contract. * Vargas received the third highest technical score of the seven responsive proposals. Vargas’ technical score was only five points behind the second highest score and 28 points behind the highest technical score. Vargas’ price was over $1,700,000.00 lower than the highest and second highest technical scores for the initial two-year term. * Vargas provided great references with experience working on UIC’s campus.   Vargas is a BEP-certified Minority-owned business (MBE) and has subcontracted to a Veteran-owned small business (VSB) vendor (24%) and a BEP vendor (6%) to meet the 30% BEP aspirational goal for this procurement.  **University of Illinois at Urbana-Champaign** |
| 6 | Unit | Roy J. Carver Biotechnology Center |
|  | Item | NovaSeq X Plus Sequencing System |
|  | Cost | $ 1,078,438 (estimated) One-time purchase |
|  | Vendor | Illumina, Inc. San Diego, CA |
|  |  | This purchase is a sole source because the items are required for research and no other source can meet the researcher’s documented need.  The Roy J. Carver Biotechnology Center offers state-of-the-art services and instrumentation in the area of genomics medicine and biotechnology, which involves processing and sequencing of DNA from humans, plants, animals and microbes. The NovaSeq X Plus Will put the University of Illinois at the forefront of genomics technologies, as it is the most advanced genome sequencer to date.  The NovaSeq X Plus is the only instrument in the market that is capable of sequencing hundreds of human, plant and animal genomes, and thousands of microbial genomes at once in less than 2 days, effectively lowering the genome sequencing overall cost. No other technology exists with this high throughput, low cost, and high accuracy (low error rate) in only one instrument.  The Biotechnology Center serves the needs of researchers from the UIUC and numerous institutions from all over the US and other countries. The field of biomedical genomics and bio medical research are rapidly advancing fields and instruments with new capabilities have a major impact on the research that can be accomplished. |

**RENEWAL OPTIONS RECOMMENDED**

**University of Illinois at Urbana-Champaign**

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| 7 | Unit | Utilities Administration |
|  | Item | Renewal option for the purchase and delivery of coal, including by-product waste disposal services. Services will be for a one (1) year period beginning July 1, 2023, through June 30, 2024. There is one (1), one (1) year renewal option remaining. |
|  | Cost | $7,090,600 (estimated) |
|  | Vendor | Knight Hawk Coal, LLC Percy, Illinois |
|  |  | This will exercise the fourth of five renewal options approved by the Board of Trustees on September 19, 2019, for an estimated $5,860,000 for the period September 20, 2019, through June 30, 2020. Competitive bidding procedures were followed in accordance with the Illinois Procurement Code.  The vendor will continue to provide an estimated 80,000 tons of coal for the Abbott Power Plant to be used as a fuel source in the University boilers. The coal will be burned to produce steam which will be used to heat campus buildings. The vendor will also dispose of approximately 20,000 tons of waste. This includes ash, cinders, gypsum, and other by-products of the coal-burning process. Coal is used as a supplementary or primary fuel depending on the fuel price and equipment availability.  The vendor has demonstrated satisfactory performance in fulfilling the terms and conditions of their contract. After negotiations with the vendor, they have agreed to keep pricing 15% lower than current market and right on for future market price in 2023.  Pricing for the coal includes transportation costs that are indexed to the price of diesel fuel as posted by the Energy Information Administration. |

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| 8 | Unit | Roy J. Carver Biotechnology Center |
|  | Item | Renewal option for purchase of Reagents for DNA Analyzer Systems will be for a one (1) year period beginning July 1, 2023, through June 30, 2024. |
|  | Cost | $5,000,000 (estimated) |
|  | Vendor | Illumina, Inc. San Diego, CA |
|  |  | This will exercise the fifth 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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| 9 | Unit | Division of Intercollegiate Athletics |
|  | Item | Renewal option for nutritionally balanced meals to student athletes, as requested by DIA, catering food services in premium seating sections at Memorial Stadium and State Farm Center, and other catering services as requested for the period July 1, 2023, through June 30, 2028. |
|  | Cost | $7,500,000. (estimated) |
|  | Vendor | Ovations Food Services, L.P. Philadelphia, PA |
|  |  | This purchase is exempt from the usual selection process of the procurement code because the procurement expenditure is for events or activities paid for exclusively by revenues generated by the event or activity, gifts, or donations for the event or activity, private grants, or any combination thereof, per 30 ILCS 500 / 1-13(b)(2).  This will exercise the final renewal option/term approved by the Board of Trustees, via Change Order, on May 20, 2021  The NCAA restrictions on providing meals to student athletes were lifted in August 2014 and allowed for the University to provide unlimited meals and snacks in conjunction with the student athletics participation. The rule, which applies to walk-ons as well as scholarship student-athletes, is an effort to meet the nutritional needs of all student athletes. In addition to the increase in student meals, DIA also needed a provider to service the Premium Seating sections at both Memorial Stadium and State Farm Center. The lessees in these agreements are entitled to food and beverages per the terms of the lease agreements to which DIA is required to pay for the cost of food and beverage items without reimbursement by the lessee. |

**University of Illinois at System Office**

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| 10 | Unit | Consortium of Academic and Research Libraries in Illinois (CARLI) |
|  | Item | Renewal of an Annual License of Full-Text Journal Article databases Academic Search Complete Business Source Elite. Services will be for a two (2) year period beginning July 1, 2023, through June 30, 2025. There are four (4), one (1) year renewal options remaining. |
|  | Cost | $7,400,000.00 (estimated) |
|  | Vendor | EBSCO Information Services, LLC Birmingham, AL |
|  |  | Exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30 ILCS 500/1-13).  EBSCO Information Services, LLC 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 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. |

**CHANGE ORDER RECOMMENDED**

**University of Illinois at System Office**

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| 11 | Unit | Vice President of Economic Development and Innovation |
|  | Item | Change Order to the contract for consulting services for the growth of Electric Vehicle (EV) manufacturing in Illinois Services will be for a one (1) year period beginning upon contract execution through June 30, 2023. |
|  | Cost | $1,200,000. (estimated) |
|  | Vendor | McKinsey & Company, Inc. Washington, DC |
|  |  | This is a change order to an award of a task order to McKinsey & Company, Inc. based on the request for proposal (RFP) 1JWS1805 for Consulting for Strategic/Financial Planning and Related Services.  In May of 2018, the University published solicitation reference number 1JWS1805, a request for proposal (RFP) to provide consulting services in two categories: 1) strategic planning and related services and 2) financial and process analysis. Proposals were opened on June 28, 2018.  A team of five evaluators evaluated the 23 qualified proposals. The University’s RFP stated that it would select up to five awardees for each of the identified categories (strategic planning and related services, and financial and process analysis). The award would establish a qualified pool of vendors. When an individual project becomes available under the award, the University would send a task order outlining the scope of work to the respondents in the relevant category for the services being requested. The RFP did not request pricing information. Pricing was to be requested and evaluated at the time of a specific task order evaluation.  In December 2018, the University published its intent to award the top five scoring respondents, which were the same for both categories. The awarded vendors are:   * Baker Tilly Virchow Krause, LLP * The Boston Consulting Group, Inc. * Ernst & Young LLP * Huron Consulting Services LLC * McKinsey & Company, Inc.   In June of 2021, the University published its intent to renew the five awards under solicitation 1JWS1805. The first renewal term is from 7/1/2021 through 6/30/2024. The costs of this renewal were estimated at $28 Million. There is still one three-year renewal option remaining.  A task order specific to the consulting services for the growth of Electric Vehicle (EV) manufacturing in Illinois project was sent to the five awardees. Four (4) awardees responded.  McKinsey and Company, Inc. was selected based on best-value selection and a Contract was executed to begin with the following tasks under the project:  Task 1: Work with the State of Illinois to develop an aggressive, tactical, multi-faceted, six-month strategy to attract electric vehicle and chips manufacturing companies.  Task 2: Assist Illinois to apply for competitive federal opportunities from the Inflation Reduction Act, CHIPs Act, Infrastructure Investment and Jobs Act and other emerging federal funding related to Governor Pritzker’s goal to achieve one million electric vehicles on the road by 2030.  Task 5: Develop an “EV Roadmap” which outlines a comprehensive strategy for accelerating the deployment of EVs to achieve the goal of one million passenger EVs in Illinois by 2030. In addition, the EV Roadmap should also recommend a strategy and timeline to adopt a zero emission pathway for medium- and heavy-duty vehicles in Illinois. The EV Roadmap should focus on several key areas, including the transitioning of public and private fleets and medium and heavy-duty vehicles to EVs; making the consumer charging experience more consistent; and exploring opportunities for pilot programs with local innovators in the EV field. The Roadmap must provide detailed recommendations and strategies with implementation timelines. Recommendation should be incremental to current work.  This change order is to add the additional services proposed under Task 3 as follows:  Task 3: Review Illinois’ retention and expansion strategy in the supply chain for the EV and semiconductor sectors  Note: Tasks 4 and 6 are proposed to be completed internally or with the support of the Illinois Innovation Network (IIN).  This project is in collaboration with and funding support received from the Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Finance Authority (IFA)  A 25% BEP goal was established for this project. McKinsey & Company, Inc. will use Seventeenth Addition LLC (a certified WBE) for an estimated 25% of the services. |

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| **SUMMARY OF PURCHASES** |  |
| University of Illinois at Springfield | $ 10,500,000 |
| University of Illinois at Chicago | $ 34,319,492 |
| University of Illinois at Urbana-Champaign | $ 1,078,438 |
| Recommended from Institutional Funds  Grand Total | $ 45,897,930 |
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| **SUMMARY OF RENEWALS** |  |
| University of Illinois at Urbana-Champaign | $ 19,590,600 |
| University of Illinois at System Office | $ 7,400,000 |
| Recommended from Appropriated Funds  Grand Total | $ 7,400,000 |
| Recommended from Institutional Funds  Grand Total | $ 19,590,600 |
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| **SUMMARY OF CHANGE ORDERS** |  |
| University of Illinois at System Office | $ 1,200,000 |
| Recommended from Institutional Funds  Grand Total | $ 1,200,000 |