

Approved by the Board of Trustees
May 11, 2017

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Board Meeting
May 11, 2017

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

Chicago

1 Unit	Surgical Services
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Item	Cornea tissue for corneal transplants for the period July 1, 2017 through June 30, 2019.
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Cost	\$2,700,000.00 (estimated)
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Vendor	Eversight, Chicago, IL
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This purchase is a justifiable sole source as the Federal Drug Administration (FDA) controls who can distribute human tissue and organs and Eversight is the only regional provider of harvested corneal tissue approved by the FDA. Sole source procedures were followed in accordance with the Illinois Procurement Code.

The vendor will provide harvested corneal tissue for surgical procedure transplants that replaces a diseased, damaged or infected cornea with a healthy, donated cornea. Corneal transplantation is the most frequently performed transplant procedure using corneal tissue.

The network of community based eye banks – in Illinois, Michigan, New Jersey and Ohio – recovers, evaluates and provides human eye tissue for transplantation; supports our research into the causes and cures of blinding eye conditions; promotes donation awareness through public and professional education; and provides humanitarian aid to people around the world in need of sight-restoring services.

The fees charged by Eversight are pass-through expenses for the facility and are regulated by the Federal Government.

2 Unit Hospital and Health Sciences System Office of Campus Care/Managed Care

Item Administrative and Management Services for Student Health Benefit Plan and Physicians Group Risk Contracts for the period December 1, 2017 through November 30, 2021.

Cost \$7,513,836.00 (estimated)

Renewal Options:

December 1, 2021 through November 30, 2022 \$1,996,710.00 (estimated)

Vendor Innovista Health Solutions, Westchester, IL

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

The vendor will provide administrative and management services for the Chicago, Rockford and Peoria sites to manage CampusCare and Managed Care Blue Cross Blue Shield (BCBS) HMOs, including but not limited to comprehensive benefit plan compliance, access management, referral coordination, claims administration, coordination of benefits, customer

service, utilization management, reinsurance recovery, and contract compliance management.

Based on a delegation compliance audit of the MSA contract with Blue Cross Blue Shield of Illinois (BCBSIL) the University was required to secure an agreement with a contract management firm certified by Blue Cross Blue Shield of Illinois (BCBSIL) to meet the delegated duties and obligations of the contract. Innovista is one of two BCBS certified Contract Management firms.

In addition, Innovista Health Solutions has identified several firms that they plan to use to meet the established BEP goal of 25% per their Diversity Utilization Plan submittal, and the Office of Supplier Diversity has granted them compliance.

Pricing for the Health Benefits Plan is set at \$5.85 per member per month for CampusCare, and \$6.20 per member per month for BCBS HMO participants. Throughout the initial four-year contract term the price will increase 2.5% annually. Comprehensive negotiations resulted in an \$118,728 savings for the contract period.

RENEWAL OPTIONS RECOMMENDED

Urbana-Champaign

1	Unit	Roy J. Carver Biotechnology Center
	Item	Renewal option for purchase of Reagents for DNA Analyzer Systems for the period July 1, 2017 through June 30, 2018.
	Cost	\$3,000,000.00 (estimated)
	Vendor	Illumina, San Diego, CA

This will exercise the fourth of four renewal options for the original purchase approved by the Board of Trustees on May 29, 2013, for an estimated \$3,000,000 for the period July 1, 2013, through June 30, 2014. This purchase is a sole source since 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 six 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 by multi-disciplinary researchers in various University 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 a 10% discount on the majority of items while remaining items the University is receiving additional discounts ranging from 5% to 8%.

Chicago

2	Unit	Health Enterprise Customer Care Center/University of Illinois Hospital and Health Sciences System
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Item	Renewal option for the centralized customer access call center operations services for the period beginning September 1, 2017 through August 31, 2018.
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Cost	\$8,212,000.00 (estimated)
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Vendor	The Chicago Lighthouse for People Who are Blind or Visually Impaired, Chicago, IL
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This will exercise the first of two renewal options for the original purchase approved by the Board of Trustees on November 12, 2015, for the period November 15, 2015, through August 31, 2017.

The Chicago Light House will continue to provide a centralized customer access call center operations for the renewal period of September 1, 2017 through July 30, 2018. The services include, but are not limited to providing 24/7 answering services for general information calls, nurse screener calls, surge calls, outbound calls, and afterhours clinic calls. In addition, scheduling and registration locations include: Family Medicine Center, Dermatology Center, Mile Square Center, Orthopedic Center, Child and Youth Center, Craniofacial Center, ENT Clinic, Eye Center, Center for Women's Health, Urology, and Psychiatry.

This contract qualifies for 100% Business Enterprise for Minorities, Females and Persons with Disabilities participation. The Lighthouse qualifies under the State Use Program which promotes a desirable socioeconomic goal by using the tremendous purchasing power of State government as a catalyst in employing persons with significant disabilities. Under this contract, the Lighthouse has hired over 125 visually impaired, disabled and veterans for the UI Health call center.

3 Unit Publication Services

Item Renewal option for managed copier and printer programs for the University of Illinois at Chicago for the period July 1, 2017 through June 30, 2020.

Cost \$11,750,000.00 (estimated)

Vendor Gordon Flesch Company, Inc., Chicago, IL

This will exercise the one, three-year, renewal option to the original purchase approved by the Board of Trustees at the Board Meeting dated May 31, 2012, for an estimated \$18,650,000 for the period July 1, 2012 through June 30, 2017.

The Managed Copier and Printer program service contract has developed a campus-wide print and electronic document management system through the strategic placement of copiers and printers. The program includes the rental of copiers and printers, and has optimized hardware allocation. It has provided a reduction in cost and waste, and has reduced the University's carbon footprint.

The vendor will continue to provide copier and printer rentals, toner and other supplies (excluding paper), complete maintenance and repair services, and all software for equipment monitoring and electronic content management.

The vendor has exceeded service level expectations and met pricing requirements, through a reduction in pricing for the renewal period by 5% of the current contract amount.

4 Unit Pathology/University of Illinois Hospital and Health Sciences System

Item Renewal option for transfusion medicine and blood bank services for the period beginning July 1, 2017 through June 30, 2022.

Cost \$30,000,000.00 (estimated)

Vendor Institute for Transfusion Medicine (ITxM), Rosemont, IL

This will exercise the one, five-year, renewal option to the original purchase approved by the Board of Trustees on March 15, 2012, for an estimated \$30,000,000 for the period July 1, 2012 through June 30, 2017.

ITxM will further provide transfusion medicine testing and management expertise, as well as implement and manage information technology applications and interfaces through its state-of-the-art automation and data management services. Their services include: 24/7 on-site transfusion medicine laboratory services, staffing and management of the Blood Bank and Blood Donor Hemotherapy Center, providing and storing all human blood and blood component products, perform all pre-transfusion and immunohematology reference testing for patients, and providing all therapeutic apheresis, blood processing and analysis services for patients.

The partnership relation with ITxM has reduced operating expenses significantly due to their ability to meet all quality, services, safety and regulatory body compliance requirements for the hospital.

University Administration

5 Unit Office of Business and Financial Services/University Strategic Procurement

Item Renewal option for purchase of janitorial supplies and products for the period July 1, 2017 through June 30, 2019

Cost \$5,825,000.00 (estimated)

Vendor Laport, Inc., Chicago, IL

This will exercise the second of two renewal options to the original purchase approved by the Board of Trustees on May 31, 2012, for an estimated \$7,150,000 for the period of July 1, 2012 through June 30, 2015.

The vendor will supply janitorial supplies and products to all University units on an as-needed basis throughout the term of the contract. These supplies include, but are not limited to, window cleaner, multi-surface cleaner, floor care products, bleach, toilet paper, paper towels, hand soap, and hand sanitizer. In addition, the vendor provides a sustainability plan, which includes a catalog of green-certified products for use as alternate items.

Pricing is based on a set rate for a list of core items, which account for 80% of the University's spend on janitorial supplies and products during the last fiscal year. For items that are not on this core list, the vendor has agreed to a percentage discount off the list price. Establishing pricing in this manner allows the University to lock-in costs for items that are routinely purchased, but still provides the opportunity to purchase additional supplies and products within the vendor's catalog. The University has identified \$128,000 in additional cost savings through holding prices firm with Laport.

Laport has provided greater than satisfactory performance in meeting ordering, delivery and response requirements. In addition, they have partnered with a Women-Owned Business (WBE) in the greater Chicago area in order to provide subcontracting opportunities in meeting their 20% diversity goal.

SUMMARY OF PURCHASES	
Chicago	\$10,213,836.00
Recommended from Institutional Funds	
Grand Total	\$10,213,836.00
SUMMARY OF RENEWALS	
Urbana-Champaign	\$3,000,000.00
Chicago	\$49,962,000.00
University Administration	\$5,825,000.00
Recommended from Institutional Funds	
Grand Total	\$58,787,000.00