

Approved by the Board of Trustees
May 19, 2016

Board Meeting
May 19, 2016

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 Director of Purchases 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

Urbana-Champaign Campus

1	Unit	Illinois Public Media
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Item	Provide Public Broadcasting Service (PBS) television programming for the period July 1, 2016 through June 30, 2019.
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Cost	\$3,500,000.00 (estimated)
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Vendor	Public Broadcasting Service, Arlington, VA
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This purchase is a justifiable sole source purchase in that the vendor is the only vendor who can provide the specific Television Broadcasting rights to WILL at Illinois Public Media.

Television programs are bought in syndication for local broadcasting and are part of Illinois Public Media's daily programming schedule. WILL at Illinois Public Media is the local Public Broadcasting affiliate for the University of Illinois. PBS is the core of Illinois Public Media TV's broadcasting service and makes up much of its corporate identity. In addition, the digital multicast channels are dependent in large part on programming available only from PBS.

Each week more than 130,000 local viewers are able to explore the worlds of science, history, culture, literature and public affairs through PBS television programming. Many ongoing television series are also made available through PBS programming, which is a crucial element for fund raising efforts that are intended for use during on-air pledge drives.

These specific television programs are not produced locally and are only available via national syndication from PBS. WILL at Illinois Public Media is a Public Broadcasting Television Station that has been broadcasting for over 50 years. These programs are requested by students, faculty, staff and residents of East Central Illinois.

Chicago Campus

2 Unit **University of Illinois Hospital and Health Sciences System (UIHHSS)**

Item Spinal surgery supplies, including cervical plates, cages, screws, and other ancillary items, for the period May 19, 2016 through May 18, 2019.

Cost \$4,520,000.00 (estimated)

Vendor Globus Medical Incorporated, Audubon, PA

This purchase is a sole source because the items are patented and the vendor is the only manufacturer.

The vendor's spinous process system will be used by orthopedic and neurosurgical spine surgeons for non-cervical spinal fusion procedures to treat patients with degenerative disc disease, spondylolisthesis, trauma, and tumors.

The Globus system's technology allows surgeons to use spinal implants uniquely fitted to a patient's anatomy, improving the effectiveness and safety of spinal surgery. Patients will also experience a less complicated procedure with faster recovery time, resulting in an enhanced standard of patient care.

There has been an increase in patient census over the past three years for Neurosurgical procedures. In FY 2014, Neurosurgery performed 317 cases and during the first nine-months of FY 2016, 362 cases have been performed. The estimates for this three-year term includes a significant increase of patient census.

3 Unit University of Illinois Hospital & Health Sciences System

Item DaVinci Surgical Robotic instruments and disposables for utilizing the DaVinci robot for the period of July 1, 2016 through June 30, 2019 with the option to renew for two (2) additional one-year periods.

Cost \$6,000,000.00 (estimated)

Renewal Options:

July 1, 2019 through June 30, 2020 \$2,000,000 (estimated)

July 1, 2020 through June 30, 2021 \$2,000,000 (estimated)

Vendor Intuitive Surgical, Inc. (Intuitive), Sunnyvale, CA

This purchase is a sole source because the robotic instruments and disposables have U.S. patents and are compatible with existing robotic equipment from the same manufacturer.

Intuitive Surgical Incorporated is the manufacturer and sole provider of instruments and disposable supplies, including drapes, scissors, hooks, forceps, and needle holders, which are compatible with the University's three DaVinci Surgical Robots. The DaVinci Surgical Robots enable physicians to more precisely control smaller surgical instruments while improving operating time, minimizing trauma to the patient, producing quicker recovery times, and reducing post-surgical complications.

The increasing popularity of robotic surgeries combined with Intuitive's proprietary accessories being solely compatible with the Da Vinci Surgical system presents the continued need for these supplies for the entire term requested. Hospital operating rooms are conducting on average 10-12 robotic surgeries per week and the usage of the instruments and disposables may vary, but can exceed a combination of ten instruments and disposables per surgery.

University Administration

4 Unit Office of Procurement Services, University Payables

Item Commercial Credit Card Services for the University of Illinois for the period July 1, 2016 through June 30, 2021 with two (2) renewal option periods.

Cost \$1,196,524.00/year (estimated)

Renewal Options:

July 1, 2021 through June 30, 2024 \$1,196,524.00/year (estimated)

July 1, 2024 through June 30, 2026 \$1,196,524.00/year (estimated)

Vendor Bank of America, New York, NY

Proposals Received

Point Summary of Proposals
(Maximum Score of 11,000)

Bank of America, New York, NY	9,992.17
U.S. Bank, Minneapolis, MN	9,793.56
PNC Bank, Pittsburgh, PA	9,525.05
JPMorgan Chase, New York, NY	9,425.47
Citibank, Sioux Falls, SD	9,303.60
BMO Harris Bank, Chicago, IL	9,141.03

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

This purchase will provide commercial credit card services for the University of Illinois. Credit card services encompass three main areas for the payment of goods and services: Purchase Card (P-Card), Travel Card (T-Card) and Single Use Accounts (SUA). P-Cards are issued to employees that require the ability to routinely make small purchases on behalf of their department. T-Cards are issued to employees that require the ability to routinely travel for University business. SUAs are managed solely by University Payables as a settlement or payment mechanism for a previously completed purchase via contracts or purchase orders.

The use of institutional credit cards for the purchase of recurring small-dollar requirements for goods and services is an industry standard. Benefits include: transactional cost savings, headcount reductions, cycle time improvements, greater purchase discounts, greater spend visibility, reduced payment times, and reductions in petty cash accounts and cash advances.

There is no cost to the University for the commercial card services program proposed under this award. The University is only remitting payment to Bank of America to settle payments to the merchants where University users used the commercial card. Average spend under the current commercial card services program averaged \$128,000,000 and 360,000 individual transactions per calendar year since 2012 and annual spend via credit card purchases is expected to be \$144,000,000 per year moving forward. Ultimately, the proposed program provides cost savings to the University through revenue share, transaction processing savings and reductions in transaction processing time paid for by merchant interchange fees.

Identified costs to merchants is shared with Bank of America and other entities involved in the transaction processing, such as merchant's processing bank, transmission network, MasterCard and our issuing bank. The University also shares in the cost to the merchants through a revenue share from Bank of America. The revenue share proposed by Bank of America for this award is 1.82% of the combined charge volume and 0.05% for the timeliness of payment, which results in an estimated \$2,692,243 per year revenue share. Using the estimated cost to the merchant combined with these revenue share percentages, it is estimated that Bank of America and the other parties involved in processing a transaction will receive \$1,196,524 per year.

As more vendors are brought on board for SUA payments, total credit card spend is expected to grow in future years. All card holders receive initial and semiannual training before card issuance and their transactions are monitored by University Payables staff for compliance and adherence to University credit card policies and the Illinois Procurement Code.

RENEWAL OPTIONS RECOMMENDED

Urbana-Champaign Campus

1 Unit Roy J. Carver Biotechnology Center

Item Renewal option for purchase of Reagents for DNA Analyzer Systems for the period July 1, 2016 through June 30, 2017

Cost \$3,000,000.00 (estimated)

Vendor Illumina, San Diego, CA

This will exercise the third of four renewal options to the 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 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 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 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 a 10% discount on the majority of items while remaining items the University is receiving additional discounts ranging from 5% to 8%.

Chicago Campus

2 Unit UIC Human Resources

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, 2016 through June 30, 2017.

Cost \$4,791,796.00 (estimated)

Vendor Maxim Staffing Solutions, Chicago, IL (Primary Category: 4, 5, 9)
 Staffing Team, Chicago, IL (Primary Category 3)
 Premier Staffing Source, Lanham, MD (Primary Category: 1, 2, 6-7, 8, 10-12)

This will exercise the first 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 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 campus 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 contracts. 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.

3 Unit University of Illinois Hospital & Health Sciences System

Item Renewal option for purchase of human organs, including tissue and histocompatibility testing for accredited transplant programs on an as-needed basis beginning July 1, 2016 through June 30, 2017.

Cost \$6,000,000.00 (estimated)

Vendor Gift of Hope Organ and Tissue Donor Network Inc., Itasca, IL

This will exercise the third of five renewal options to the purchase approved by the Board of Trustees on May 31, 2012, for an estimated \$12,000,000 for the period July 1, 2012 through June 30, 2014. This purchase was considered a sole source since the vendor has been appointed by the U.S. Department of Health and Human Services (HHS) to be the only organ and tissue transplantation program for Northern and Central Illinois. Thus, it is the only certified, federally-qualified Organ Procurement Organization (OPO) in the region.

As a federal qualified Organ Procurement Organization (OPO) the vendor will continue to provide a single, coordinated organ and tissue recovery program on an as-needed basis. Services will include distribution of organs according to established protocols, central histocompatibility laboratory services to provide donor matching tests, patient/donor educational programs, notification of organ availability, assistance in securing appropriate transportation of donor organs and other related services.

SUMMARY OF PURCHASES	
Urbana-Champaign Campus	\$ 3,500,000.00
Chicago Campus	\$10,520,000.00
University Administration	\$ 1,196,524.00
Recommended from Institutional Funds	
Grand Total	\$15,216,524.00
SUMMARY OF RENEWALS	
Urbana-Champaign Campus	\$ 3,000,000.00
Chicago Campus	\$10,791,796.00
Recommended from Institutional Funds	
Grand Total	\$13,791,796.00