

Approved by the Board of Trustees
November 14, 2019

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Board Meeting
November 14, 2019

ROLL CALL

PURCHASE AND RENEWAL RECOMMENDATIONS

The "Purchase and Renewal Recommendations" are presented by university 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 Sr. Associate Vice President for Business and Finance has proposed and the Vice President, Chief Financial Officer and Comptroller recommends the following purchases. 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

University of Illinois at Chicago		
1	Unit	University of Illinois Hospital and Health Sciences Systems (UIHHSS)
	Item	Medical Surgical Supplies Distribution for the period of September 19, 2019 through August 31, 2021
	Cost	\$30,000,000 (estimated)

Vendor Medline Industries, Northlake, IL

This purchase is for medical supplies and is exempt from the Illinois Procurement Code under 30ILCS 500/1-13 (b-5). This contract is for medical and surgical supplies necessary for the delivery of care and treatment at the University of Illinois Hospital and Clinics. Medline is the Hospital's medical-surgical distributor providing comprehensive distribution, warehousing and supply chain solutions for all medical supplies used for patient care. The Hospital has used Medline Industries since 2012 for the distribution of these products through Medline's Vizient (formerly UHC/Novation) Consortium contract.

Under the terms of the distribution contract Medline will warehouse adequate inventory and deliver products at agreed upon schedules. Benefits to the hospital include reduced traffic at their delivery dock and simplified, more controlled order, inventory and receipt process. The price basis for this contract is a mark-up percentage (distribution fee) over the Vizient net contract price of goods sold by and paid to the manufacturer. The Distribution fees are 0% on Medline self-manufactured products and 1% on all other items, Distribution fees are estimated at \$100,000 annually.

With the inclusion of incentives and rebates, including the recent reduction in distribution fees from our original agreement, the pricing is considered reasonable and acceptable based upon the historical cost of this service.

BEP Goals have not been established for Exempt Procurements.

CHANGE ORDER RECOMMENDED

Chicago Campus

2 Unit UI Health Administration

Item Change order to increase the existing contracts for implementation of the 3i initiative to augment internal UI Health teams.

Cost \$15,928,009 (estimated)

Original Amount (estimated)	Change Order (estimated)	New Total (estimated)
\$27,063,000	\$15,928,009	\$42,991,009

Vendor An increase of \$15,928,009 in two (2) out of the four (4) awarded areas is required in order to continue services through December 2020. The increase is for Group 2 - Implementation of Epic software and 3rd party applications; and Group 4 - Training and activation support to the University of Illinois Hospital and Health Sciences System (UI Health).

Nordic Consulting Partners, Madison, WI
 Impact Advisors, Naperville, IL
 Deloitte Consulting, Chicago, IL
 The CSI Companies, Jacksonville, FL
 Huron Consulting Group, Chicago, IL
 The CJS Solutions Group dba The HCI Group, Jacksonville, FL
 Leidos Health, Westfield, IN

An initial award was approved by the Board of Trustees on November 15, 2018 for an estimated \$27,063,000 for the period January 1, 2019 through December 31, 2020, with the option to renew for two additional twelve-month periods. Competitive procurement requirements were followed in accordance with the Illinois Procurement Code.

In the midst of implementation and training the University now understands that At-The-Elbow support, which was originally estimated based on consultants working 40 hours per week, is required for 24/7 coverage and should be based on number of shifts, rather than number of consultants. The University also had some unforeseen additional consultant needs to supplant Full Time Employees (FTE) that left the organization throughout the project.

The University is closely monitoring these projects and believes that no additional changes should be required. If the University opts to implement and deploy all applications licensed by Epic after initial implementation go-live date, then additional consulting services may be required for the option to renew.

This award included a 20% BEP Goal and 3% Veterans goal, which continue to be applicable to this increase.

SUMMARY OF PURCHASES	
University of Illinois at Chicago	\$ 30,000,000
Recommended from Institutional Funds	
Grand Total	\$ 30,000,000
SUMMARY OF CHANGE ORDERS	
University of Illinois at Chicago	\$ 15,928,009
Recommended from Institutional Funds	
Grand Total	\$ 15,928,009