Approved by the Board of Trustees

November 17, 2022

**19**

Board Meeting

November 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 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**

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| **University of Illinois at Chicago** |

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| 1 | Unit | UI Hospital and Clinics |
|  | Item | Purchase of Pharmaceutical Wholesale Distributor Services for UI Hospital and Clinics |
|  | Cost | $761,118,000 (estimated) for a four-year period beginning January 1, 2023, with three optional two-year renewal periods (a total of 10 years). $190,279,500 (estimated) average annual cost during the initial term.  Total cost (estimated) including renewal periods is $2,544,296,000.  Initial Term: $761,118,000 (estimated)  2023 $166,225,000 (estimated)  2024 $181,286,000 (estimated)  2025 $197,775,000 (estimated)  2026 $215,832,000 (estimated)  Renewal Terms: $1,783,178,000 (estimated)  20 2027-2028 $492,879,000 (estimated)  2029-2030 $588,018,000 (estimated)  2031-2032 $702,281,000 (estimated) |
|  | Vendor | McKesson Corporation Irving, Texas |

The UI Hospital Pharmacy provides the pharmaceutical products utilized by and administered to patients receiving care in the Hospital, UI Health Outpatient Clinics, and Mile Square Health Center. In addition, Ambulatory Care Pharmacies dispense prescriptions/medication orders to patients, students, and employees of the University of Illinois. The University of Illinois Hospital participates in the federal 340B drug discount program as a Disproportionate Share Hospital (DSH), and Mile Square Health Center participates in the program as a Federally Qualify Health Center (FQHC).

To meet these responsibilities, the Hospital and College of Pharmacy purchase pharmaceuticals through a qualified pharmaceutical wholesale distributor that can extend various pricing options for pharmaceutical products in appropriate quantities, such as Wholesale Acquisition Cost (WAC), Group Purchasing Organization (GPO), and 340B (for 340B drugs, the wholesaler must participate in the Federal 340B Prime Vendor Program).

McKesson Corporation was selected through a competitive request for the proposal bidding process, receiving the highest number of evaluation points among the two responsive proposals. A third proposal was determined to be not responsive. McKesson has provided these services for the Hospital since 2016.

Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30ILCS 500/20-15).

Responsive Proposals Received Point Summary (Maximum Score 130)

McKesson Corporation 118 points

Cardinal Health 111 points

A 20% aspirational BEP participation goal was established for this procurement in accordance with State statutes and University’s commitment to encourage offerors to utilize BEP-certified vendors. McKesson requested a partial waiver of the BEP goal and provided Letters of Intent for 3% BEP participation utilizing three BEP vendors as part of their BEP utilization plan.

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| 2 | Unit | College of Applied Health Sciences |
|  | Item | Contract extension to comply with obligations for students in online programs sourced by vendor NCS Pearson through graduation (FY23-FY26). |
|  | Cost | $ 3,000,000 (estimated cost of the extension, exclusive of original contract payments) |
|  | Vendor | NCS Pearson, Inc. Amherst, Maryland |
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This purchase is a sole source because the unique items are required for Advising Services for the Online Learning Program, and no other source can meet the documented need.

Accreditation standards from The Commission on Accreditation for Health Informatics and Information Management (CAHIIM), which accredits the Health Informatics and Health Information Management programs within the College of Applied Health Sciences (CAHS), require student advising.

Pearson will advise online students admitted to the Health Informatics and Health Information Management Programs during or before Spring 2022 until they graduate or leave the program. This vendor is contractually required to advise because they recruited current students in the programs. Pearson has built relationships with the students and knows their educational needs and requirements. Per the previous agreement, Pearson will advise and work with the students recruited until they have graduated or leave the program.

The original contract with NCS Pearson was approved in 2014 to provide services including marketing and website management, student recruiting, student registration and re-enrollment support, student advisement and course selection recommendations, student retention support, and faculty administrative support for a number of programs in the UIC College of Applied Health Sciences. Pearson has received 45-50% of tuition revenue for those services for the supported programs.

In 2021, CAHS decided to terminate its relationship with Pearson and move this program to be managed internally by the UIC Extended Campus.  There are no new students sourced by Pearson and enrolling in the CAHS programs.  As students progress through the online program to completion, UIC must comply with the previously agreed contractual obligations. The original contract states that Pearson will continue to provide services and receive a tuition revenue share for students it recruited before termination.

There are currently 253 students subject to this extension agreement.  The best estimate of the payments to Pearson are:

* FY23: $1.06M
* FY24: $0.65M
* FY25: $0.24M
* FY26 and beyond: $0

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| 3 | Unit | Office of the Vice Chancellor for Administrative Services |
|  | Item | Gasoline and Other Fuel Services |
|  | Cost | $6,314,660.60- initial two (2) year term  $27,113,875.57- total of four (4), two (2) year renewal options. |
|  | Vendor | G. Cooper Oil Company, Inc. Manteno, Illinois |
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|  |  | Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30ILCS 500/20-15).   * The awarded vendor will provide delivery of 87 Unleaded Regular with 10% Ethanol Gasoline, 89 Ethanol (ETOH) Reformulated Unleaded Gasoline, No. 1 Diesel Fuel, No. 2 Diesel Fuel, B11 Bio-Diesel Fuel, and Ultra Low Sulfur Diesel. * The University reserves the right to increase or decrease the number of gross gallons of gas and fuel by any amount deemed necessary to meet its needs without any adjustments in the bid price. * Delivery terms: F.O.B. destination. * Vendor shall make all deliveries seven (7) days a week during the business hours of 6:30 a.m. to 2:30 p.m, including Holidays. No 2 Ultra Low Sulfur Diesel Fuel must be delivered within 12 hours and all other items must be delivered within 48 hours of being notified by an authorized staff member or representative of the University.   The awarded vendor is certified BEP (WBE). |

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| **University of Illinois System Office** |

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| 4 | Unit | Economic Development and Innovation |
|  | Item | Task Order for consulting services to assist with duties supporting the federal Broadband, Equity, Adoption, and Deployment (BEAD) and Digital Equity (DE) programs, including completion of Illinois’s 5-Year Action Plan and Digital Equity Plan. |
|  | Cost | $5,000,000 (estimated) |
|  | Vendor | McKinsey & Company, Inc. Washington, D.C.  This is 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 $16 Million. There is still one three-year renewal option remaining.  A task order specific to the BEAD and DE project was sent to the five awardees. Three (3) awardees responded.  McKinsey and Company, Inc. was selected based on best-value selection and will assist in the initiative summarized below.  Through the Illinois Broadband Lab collaboration, the Board of Trustees of the University of Illinois (University) and its Illinois Innovation Network (IIN) assists the Illinois Office of Broadband, housed within the Illinois Department of Commerce and Economic Opportunity (DCEO), with implementation and administration of the Connect Illinois Broadband Grant Program and related programming. The collaborative work leverages funding and programs established through the American Rescue Plan Act or Infrastructure Investment and Jobs Act.  This federally funded programming and work include but is not limited to, provisions included in the Infrastructure Investment and Jobs Act, which dedicates $42.5 billion to broadband network expansion and $2.75 billion to establish three digital equity grant programs. Together, these programs promote broadband deployment and digital equity to ensure that all individuals and communities have the skills, technology, and capacity needed to reap the benefits of a 21st digital economy.  Funding specific to this project will be appropriated through the National Telecommunications & Information Administration (part of U.S. Department of Commerce) that will be granted to the Illinois Department of Commerce and Economic Opportunity (IL DCEO). IL DCEO will then relay the funding to the U of I System.  A 25% aspirational BEP goal was established for this procurement.  McKinsey & Company, Inc. will use Seventeenth Addition for an estimated 9% of the services and Columbia Telecommunications Corporation dba CTC Technology & Energy for 16% of the services. |

**RENEWAL OPTIONS RECOMMENDED**

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| **University of Illinois at Urbana-Champaign** |

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| 5 | Unit | Department of Atmospheric Sciences |
|  | Item | Renewal option for the rental of Meteorological Equipment and Science Engineering Support for the period October 23, 2022, through October 22, 2023. |
|  | Cost | $2,000,000 (estimated) |
|  | Vendor | Targeted Meteorological Systems Boulder, Colorado  This will exercise the second of six renewal options approved by the Board of Trustees on November 18, 2021, for an estimated $1,300,000 for the period October 23, 2021, through October 22, 2022. 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 Department of Atmospheric Sciences is conducting research that involves collecting unique data on atmospheric and related phenomena that will allow research into, but not limited to, such topics as how tornadoes are generated within lines of thunderstorms, and what controls the snowfall rates in large snowstorms.  Targeted Meteorological Systems (TMS) will provide multiple mobile X-Band radars, a deployable C-Band radar and vehicles equipped with meteorological sensors for observing meteorological conditions, weather balloon launch systems, and educational support for these sensors for faculty-led research, teaching, and service/outreach. TMS has the only systems and support personnel capable of making the radar and other meteorological measurements as required. The TMS radars are the only dual-wavelength vehicle mount dual-polarization radars. This capability enables scan rates twice that of a single-frequency radar system. This allows double data collection as other mobile radar facilities, reducing measurement errors due to slow data collection. |

**CHANGE ORDER RECOMMENDED**

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| **University of Illinois at Chicago** |

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| 6 | Unit | Office of the Vice Chancellor for Administrative Services |
|  | Item | Change Order of existing agreement with United Security Services, Inc. for unarmed security guard services at various UI Health and Hospital Clinic locations throughout the University campus. Services will be for a two (2) year period beginning September 27, 2022 through September 26, 2024. There are two (2), two (2) year renewal options remaining. |
|  | Cost | $1,697,023. (estimated) |
|  | Vendor | United Security Services, Inc. Chicago, Illinois |

Competitive selection procedures were followed in accordance with the Illinois Procurement Code (30 ILCS 500/20-15).

In Fiscal Year 2018, the University issued a request for proposal for unarmed security services under RFP# IJW050. Monterrey Security Consultants, Inc., United Security Services, Inc., and Allied Universal Security Services received approval for a four-year contract award. Contracts were successfully negotiated with Monterrey Security Consultants, Inc. and United Security Services, Inc. for the period beginning September 27, 2018 through September 26, 2022 with the option to renew for three (3) two (2) year periods, subject to continuing need, availability of funds, and satisfactory performance. The initial IJW050 award did not require BOT approval at that time because the estimated spend per fiscal year was below the threshold for BOT review/approval.

United Security Services, Inc. (United) had the necessary medical trained staff to provide unarmed security guards for the University of Illinois Chicago Hospital and Health Sciences System (UI Health). The UIC Police Department increased the number of unarmed security guards that were deployed under this award during the COVID-19 pandemic. United provided security services for COVID-19-related operations at the UI Health Hospital, including the outside COVID-19 intake tent and various indoor locations. This vendor has been providing these services since the implementation of COVID-19 security protocols and is proficient at working in and supporting this environment. As the pandemic intensified and critical healthcare services increased at the Hospital, so did the need of unarmed security services. The unpredictable nature of the pandemic and dynamic staffing needs has created an environment whereby additional unarmed security services have been required.

Additionally, UI Health has opened a new Specialty Care Building (SCB) which has expanded the medical operations. This new facility also requires security services. The opening of the SCB has occurred while the University is experiencing a staffing shortage of security guard-classified employees. This means that without additional assistance from United, the University will not be able to provide enough security guards to maintain a safe environment at these critical medical care centers. Continued use of this vendor will allow the UI Health Hospital, Clinics, and Specialty Care Building to maintain continuity in their operations, which supports public health and safety.

A new solicitation will be issued to meet the Hospital’s needs for unarmed security services. The department is currently working with Purchasing to complete the procurement process. These additional funds will allow the UIC Police Department to address operational needs for these services through the completion and award of the new solicitation.

The goal for BEP participation under RFP #IJW050 was 25%, and the goal for Veteran-owned business participation was 3%. United Security Services, Inc. submitted a BEP Utilization Plan and will utilize Page Security, Inc. as their BEP vendor and Halo Security Group for the Veteran-owned business.

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| **University of Illinois at System Office** |

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| 7 | Unit | SHIELD Illinois Deployment |
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|  | Item | Change order to increase COVID-19 Electronic Medical Record System contract for the current contract term (January 15, 2022, through January 14, 2023) |
|  | Cost | Change Order  Original Amount (estimated): $2,000,000  Change Order Amount (estimated): $603,190.50  New Total (estimated): $2,603,190.50 |
| 8 | Unit | Discovery Partners Institute (DPI) |
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|  | Item | Change Order to increase the award amount for wastewater sequencing. |
|  | Cost | $1,930,000 (estimated) Term: July 27, 2021 through July 31, 2023 |
|  | Vendor | UChicago Argonne LLC Lemont, Illinois Exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30 ILCS 500 / 1-13(b)(8)).  UChicago Argonne LLC was previously contracted to provide wastewater sequencing, and additional sequencing services are needed. UChicago Argonne LLC operates the Argonne National Laboratory for the United States Department of Energy. These services are being paid through funds provided by the Illinois Department of Public Health (IDPH) through an inter-governmental agreement for wastewater testing services.  Business Enterprise Program (BEP) goals are not established for contracts that are exempt from the requirements of the IL Procurement Code. |
| 9 | Unit | Consortium of Academic and Research Libraries in Illinois (CARLI) |
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|  | Item | Change Order to assign the University’s contract to provide Annual License of Full-Text Journal Article databases Academic Search Complete Business Source Elite |
|  | Cost | Renewal 2 of 8 $1,803,430. Estimated; Term 7/1/2022 – 6/30/2023  Renewals Remaining: 6 one-year renewal options –$11,200,000 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 Industries, Inc. was 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. These services have been transitioned from EBSCO Industries, Inc. to EBSCO Information Services, LLC, requiring the assignment of the University’s contract to the new entity. There is no increase in anticipated cost with this assignment. 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. |

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| **SUMMARY OF PURCHASES** | |
| University of Illinois at Chicago | $770,432,660.60 |
| University of Illinois System Office | $ 5,000,000.00 |
| Recommended from Institutional Funds  Grand Total | $775,432,660.60 |
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| **SUMMARY OF RENEWAL** |  |
| University of Illinois at Urbana-Champaign | $ 2,000,000.00 |
| Recommended from Institutional Funds  Grand Total | $ 2,000,000.00 |
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| **SUMMARY OF CHANGE ORDERS** |  |
| University of Illinois Chicago | $ 1,697,023.00 |
| University of Illinois System Office | $ 4,336,620.50 |
| Recommended from Institutional Funds  Grand Total | $ 6,033,643.50 |