Approved by the Board of Trustees

September 21, 2023

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Board Meeting

September 21, 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*, and Board of Trustees policies and directives.

The president of the University of Illinois System concurs.

**PURCHASES RECOMMENDED**

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

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| 1 | Unit | Holonyak Micro & Nanotechnology Laboratory |
|  | Item  | Molecular Beam Epitaxy System  |
|   | Cost | $ 2,502,152 (estimated) One-time Purchase |
|  | Vendor | Veeco Process Equipment, Inc. Saint Paul, MN   |
|  |  | Sole Source procurement procedures were followed in accordance with the Illinois Procurement Code, 30 ILCS 500/20-25.This purchase is considered a sole source because items are required for research, and no other source can meet the researcher’s documented need. The Holonyak Micro & Nanotechnology Laboratory is one of the country's largest and most sophisticated university facilities for conducting photonics, microelectronics, biotechnology, and nanotechnology research.The Molecular Beam Epitaxy (MBE) is a method for thin-film deposition of single crystals and is used in manufacturing semiconductor devices and in developing nanotechnologies. The MBE system provides high-quality epitaxial growth on single four-inch substrates. Other MBE systems use two, three, or six-inch wafers. Using the four-inch wafers will allow for wider collaborations with industry partners in the area of semiconductors and nanotechnology. Veeco is providing $343,987 in overall discounts off the Molecular Beam Epitaxy System.**Business Enterprise Program (BEP)** goals are not established as no other sources can meet the need. |
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| **University of Illinois at Chicago** |

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| 2 | Unit | Office of Vice Chancellor for Research/Biologic Resources Laboratory |
|  | Item  | Individually Ventilated Housing systems for an upgrade to the Biologic Resource Laboratory (BRL) for the period October 6, 2023 through June 30, 2024.  |
|   | Cost | $2,200,000 (estimated)  |
|  | Vendor | Allentown, LLC Allentown, NJ   |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30 ILCS 500/1-13).In September 2021, the Office of the Vice Chancellor for Research was awarded a 5-year grant of $6,749,090 from the National Institute of Health (NIH). The grant is to provide UIC preclinical modeling capability and expansion of vivarium laboratory facilities to link our research opportunities with the capability to generate and characterize models of human disease that support our core mission areas.The UIC biomedical research program included a total of 137,000 sq. ft. of vivarium housing and support space. The Biologic Resources Laboratory, which is 60 years old, provides direct and indirect support to most of the institution’s biomedical research programs.The project will comprise renovations and upgrades to essential elements of the heating, ventilation, air conditioning, and electrical systems in the Biologic Resources Laboratory to increase housing capacity and accommodate growth in the institution’s cancer and metabolic research programs. Individually Ventilated housing systems will decrease allergens, odors, and ammonia levels in the micro and macro-environment as well as labor associated with maintenance of the housing systems.The Office of Vice Chancellor for Research/Biologic Resources Laboratory will receive approximately a $90,000 discount.**Business Enterprise Program (BEP)** goals are not established for contracts exempt from the competitive solicitation process requirements of the IL Procurement Code. |
| 3 | Unit | UI Hospital and Clinics |
|  | Item  | Purchase of Disposable Supplies for UI Hospital Electrophysiology Laboratory for the period of September 28, 2023 through September 28, 2025 |
|   | Cost | $3,500,000 (estimated)  |
|  | Vendor | Johnson & Johnson Health Care Systems Irvine, California |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).UI Hospital’s Electrophysiology (EP) Laboratory diagnoses and treats irregular heart rhythms and evaluations of the electrical conduction pathways of the heart using the J&J Carto 3 Electrophysiology System. These procedures require the purchase of vendor-specific disposable supplies. Over 600 EP procedures are performed annually. This volume has grown by over 200% in the last few years, significantly increasing the annual spending on the required supplies.**Business Enterprise Program (BEP)** goals are not established for contracts exempt from the Illinois Procurement Code requirements.  |
| 4 | Unit | UI Hospital and Clinics |
|  | Item  | Purchase of Implants and Accessories Used in Spinal Fusion and Fixation Surgical Cases for the period October 1, 2023 through June 30, 2028. |
|   | Cost | $13,150,000 (estimated) |
|  | Vendor | ATEC Spine, Inc, Inc. Carlsbad, CA |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).UI Hospital neuro and orthopedic surgeons began using spinal implants and fixation devices from ATEC Spine in 2022. Surgeons prefer these devices, resulting in better fusion rates and allowing surgeons to place implants and screws with improved alignment and less patient movement. Spine surgeries are an essential part of UI Hospital’s Neurosurgery and Orthopedic service lines and are clinical programs of focus in the Hospital’s strategic plan.Annual usage has increased significantly since the introduction of these devices. The number of surgeries with ATEC implants is about 140 per year.**Business Enterprise Program (BEP)** goals are not established for contracts exempt from the Illinois Procurement Code requirements.  |
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| **University of Illinois at System Office** |

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| 5 | Unit | Treasury Operations |
|  | Item  | Contract for Medical Lockbox Services for the period August 26, 2023 through August 25, 2029 with three-year renewals.  |
|   | Cost | $3,000,000 (estimated)  |
|  | Vendor | PNC Bank NA Chicago, IL |
|  |  | The Office of University Counsel indicates that this purchase is not subject to the Procurement Code (30 ILCS 500). Medical lockbox services include receiving payments from individuals and from insurance companies, depositing the payments into university bank accounts, and forwarding remittance information to the appropriate University unit.**Business Enterprise Program (BEP)** goals are not established for contracts exempt from the IL Procurement Code requirements.  |

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|  |  |  **CHANGE ORDER RECOMMENDED** |

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| **University of Illinois at Chicago** |

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| 6 | Unit | UI Hospital and Clinics |
|  | Item | Change Order to Increase the Award Amount for Purchase of Laboratory Reagents Used to Process RNA Tests |
|  | Cost | $2,000,000 (estimated) |
|  | Vendor | Roche Diagnostics, Inc. Indianapolis Indiana |
|  |  | This purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code (30ILCS 500/1-13).UI Hospital Laboratory uses reagents from Roche Diagnostics to process RNA tests to detect and quantify the presence of infectious viruses in blood. The results help determine if treatment is effective or if the medications/dosage needs to be modified to reduce or eliminate the virus.The volume of these tests has increased by over 50% in the last two years, requiring increased spending authority.**Business Enterprise Program (BEP)** goals are not established for contracts exempt from the Illinois Procurement Code requirements.  |
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| **University of Illinois at System Office** |

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| 7 | 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 |
|  | Cost | $960,000 (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.  The University of Illinois has an intergovernmental agreement (IGA) with the state of Illinois. This IGA is to assist in providing analysis and forecasting to develop an economic development strategy and implementation plan so that Illinois meets the vertical integration needs of the rapidly growing electric vehicle, electrification, and battery manufacturing space and meets Governor Pritzker’s goals of achieving one million electric vehicles on the Illinois roadways by 2030. With the IGA there are six tasks identified to complete the project. The Illinois Innovate Network, led by the University of Illinois System as administrative agent, is completing several of the tasks. The Grainger College of Engineering at UIUC is leading the effort with support from Northern Illinois University and Governors State UniversityThis change order is to increase the scope of services for the growth of electric vehicle manufacturing in Illinois for the term February 13, 2023 through October 31, 2023.McKinsey was contracted for Consulting for Strategic/Financial Planning and Related Services. The change order represents both an extension of time and an increase in amount. The estimated additional cost is projected at $960,000. The source of funds will be from the Department of Commerce and Economic Opportunity (DCEO) through the IGA. The change order is for Task 2 of the IGA. Task 2 is to 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. **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 Urbana-Champaign | $ 2,502,152 |
| University of Illinois at Chicago | $18,850,000  |
| University of Illinois at System Offices | $ 3,000,000 |
| Recommended from Institutional FundsGrand Total | $24,352,152  |
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| **SUMMARY OF CHANGE ORDERS** |  |
| University of Illinois at Chicago | $ 2,000,000 |
| University of Illinois at System Office | $ 960,000 |
| Recommended from Institutional FundsGrand Total | $ 2,960,000 |