Support Higher Education Procurement Reform

**Background:**

For the reasons set forth below, higher education would like an exemption of non-appropriated research projects, or a stand-alone code for Higher Education. In addition, the respective Acts should be amended to include procurement provisions designed to meet the business functions and needs of the University systems.

- Lost academic and entrepreneurial talent and lost opportunity costs are the direct result of the procurement frustrations encountered by the University systems.

- Costs of goods and services are needlessly increased to the detriment of the University systems.

- Businesses are declining to provide goods and services to the University systems because the current policies are not commercially reasonable.

- Decisions of the “SPOs” are inconsistent within the University system and the SPOs themselves resulting in uncertainty and greater expenditures of time and effort in the procurement process.

**Benefits to the State and the University:**

- Improve efficiency while preserving ethics and integrity while allowing researchers to do their job in a more effective and competitive environment.

- The State’s procurement goals of openness, transparency, avoidance of conflicts of interest and self-serving deals, can--and will--be obtained in a more cost efficient and commercially reasonable manner through the Universities’ proposed amendments to the respective Acts to incorporate appropriately designed procurement practices governing the expenditure of University funds.

- A Higher Education Procurement code would incorporate the material provisions of the Illinois Procurement Code and yet provide needed flexibility in the procurement process given the Universities’ specialized needs and assure the procurement of goods and services in a more efficient and economical manner.

- Without reform, the quality and stature it has taken a century and a half to build up at the University will be put in immediate jeopardy. Current procurement policies are damaging to campus excellence. Leading faculty and research dollars will leave the state, and promising new faculty will not join the university.

- Funding for scientific research results in novel technologies and innovations, new startup companies, jobs, and economic growth in Illinois. In Fiscal Year 2014 (FY2014), the University of Illinois received more than $914 million in research funding.
EXAMPLES

DELAY IN PURCHASING FOOD PROCESSING EQUIPMENT DELAYS RESEARCH PROJECTS AND TEACHING IMPROVEMENTS.

A quote was obtained in October 2013 for the purchase of a steam kettle for food processing instruction and research in the Department of Food Science and Human Nutrition. The response to the bid proposal was received on April 9, 2014. The bid process took 6 months from the time the Department identified the equipment needed.

Issues: Cost, delay

Cost Impact: As a result of the bid, the final price was over $15,000 higher than budget. Had the purchase been allowed with the original quote in October, the equipment would have arrived in January, with a substantial cost savings for an essentially identical piece of equipment.

Delay Impact: The grant-funded work was delayed, and the department was unable to process tomatoes, or other produce this summer. An extension had to be filed to allow this equipment to be purchased.

Planned teaching improvements for FSHN 462 and FSHN 260 are delayed until this equipment is received. Research projects that could have utilized this equipment were forced to use inferior equipment.

20+ hours of valuable Plant Manager time was spent preparing, discussing, and validating this bid with purchasing instead of working with students, faculty, and industry. This is in addition to/after the time spent identifying the proper equipment.

LABORATORY ANIMALS

The UIC campus Biologic Resources Laboratory (BRL) purchases laboratory animals in bulk for all PIs on the Chicago campus. Expenditures for acceptable laboratory quality animal suppliers such as Harlan, Charles River, and Jackson can range from $250k to over $500k in any given year. Non-human primates also account for large expenditures and these orders are further complicated by issues of availability.

BRL is the centralized unit at UIC authorized to purchase laboratory animals on behalf of the Animal Care Committee for the purpose of monitoring usage and compliance guidelines. The role of the BRL is to ensure that approved vendor sources are laboratory level quality while offering the PI a choice of source options.

Genetic and microbial variation from different vendors can cause differences in research results. In order for research to be meaningful and reproducible, it is important that the PI be able to specify use of a specific line of animals from a specific vendor. For example a C57BL/6 (a “B6”) mouse from Charles River Labs might be needed in order to continue or replicate research on diabetes or infectious disease.

The University purchasing thresholds present an obstacle, as do the sole source justifications. Currently, the BRL is required to submit a sole source justification for each animal supplier. The animals purchased can be used in multiple simultaneous projects, where various specifications, availability, and quality can be unique to each ongoing project. Thus there are many variables at issue for any given project, and it is difficult to provide a sole source justification.

Issues: Delay, efficiency

Most recently the department lost bid renewal due to the deadline for a disclosure form and miscommunication between the vendor and purchasing. As a result, the entire bid process had to be repeated for an agreement that was already in place. The contracted pricing was lost in the interim, resulting in a costlier product in the long term.

The BRL has a documented procedure for identifying acceptable suppliers and animals. It would be helpful if there were an approved process delegating authority to BRL for the purchase of laboratory animals for the campus to meet research needs, regardless of the dollar amount. BRL has not been 100% successful with sole source justifications for these purchases, resulting in delays that hinder biomedical research.

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