

MAINE STATE LEGISLATURE

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OFFICE OF THE PRESIDENT
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January 26, 2018

Honorable Sara Gideon
Speaker of the House
2 State House Station
Augusta, Maine 04333

Honorable Michael D. Thibodeau
President of the Senate
3 State House Station
Augusta, ME 04333-0002

Dear Speaker Gideon and President Thibodeau:

I am pleased to submit on behalf of the Board of Trustees of the Maine Community College System (MCCS) the attached report on certain procurements, contributions, and policy changes for the period July 1, 2016 through June 30, 2017 as required by 5 M.R.S.A. § 12023.

To report the information required by §12023, MCCS developed a customized reporting feature in the business management module of our information systems for each of the seven colleges and the System Office, and then fed that module with data from the purchase order, cash disbursement, and credit card systems. Combined, the seven colleges and the MCCS System Office make tens of thousands of purchases and expenditures each year. While the task of reporting on these transactions is complex, our review indicates that the colleges' compliance with existing policies is extremely high, and expenditures are consistently mission related. In those few areas where we have identified need for improvement, refinements have been made or are under way.

MCCS will continue to use its internal controls and annual outside audit to adapt its systems to changing needs, and our Board of Trustees will continue its own ongoing attention to these matters at its regular meetings.

If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "DPL", is written over a light blue horizontal line.

Derek P. Langhauser
President

MCCS 5 M.R.S.A. §12023
Report for the Period
July 1, 2016 through June 30, 2017

A. Procurements over \$10,000 without Competitive Procurement

5 M.R.S.A. §12023 requires a report, for the period July 1, 2016 through June 30, 2017, of procurements over \$10,000 made without competitive procurement under the MCCS policy adopted pursuant to 5 M.R.S.A. §12022.

Certain transactions do not lend themselves to competitive procurement because of the nature of the procurement, and so they are not reported here. One such category of these transactions includes payments to public utilities, municipalities, including law enforcement or municipal subdivisions with monopolistic authority to deliver certain services (such as water, electricity, municipal transportation and sewer). A second category includes payments for text books, certain supplies and academic support that are necessary to meet specific academic requirements.

MCCS also purchases items for resale in retail operations. Procurement of items for resale is competitive, but MCCS does not use a request for proposal or solicit bids from vendors. Items purchased for resale in MCCS bookstores and dining halls are reported herein, and denoted with an asterisk (*) to distinguish their procurement from operational supplies and services.

In all cases, the colleges are required to use customary prudence and care to ensure that the System secures the best value in its procurements.

The following transactions, or grouping of transactions, have been deemed reportable under the statute. Although our internal procurement recording system is transaction-based by college, the colleges closely adhere to System-wide financial procedures. In total, 47,991 transactions, totaling \$74.8 million, were made during the reporting period. The transactions included in this report, those over \$10,000 that were made without competitive procurement, account for 1.2% of total procurements.

All procurements listed below are mission related. Some represent individual purchases of considerably less than \$10,000 but are included here because the college did not anticipate purchasing more than \$10,000 in goods and services from the same vendor over the course of the reporting period. In these instances, we elected to report the aggregate value of the transactions as a single "procurement." As noted below, we are consistently working to better anticipate future procurements in such recurring areas and, when practicable, to make broader use of blanket Request for Proposals (RFP) or other efficient approaches.

TRANSACTIONS WHERE COMPETITIVE PROCUREMENT WAS WAIVED:

CMCC

Advanced Educational Technologies, LLC	\$29,619
- Only manufacturer and maintenance provider in the New England area for educational equipment used in the Electromechanical Technology Industry.	
Briggs Equipment Sales, Inc.	\$19,470
- Emergency repair needed to regulate room temperature.	
CI Sports *	\$12,789
- Soft goods purchases for resale in bookstore.	
F'Real Foods, LLC	\$12,485
Leading equipment supplier for specialty food product. Used in college cafeteria.	
Gear For Sports *	\$11,831
- Soft goods purchases for resale in bookstore.	
MV Sport *	\$18,941
- Soft goods purchases for resale in bookstore.	
Medical Shipment, LLC	\$19,999
- Educational equipment. Medication dispensing unit utilized by healthcare industries.	
Pepsi-Cola Company *	\$72,611
- Soda purchase for resale in cafeteria.	
Siemens Industry, Inc.	\$12,661
- Emergency installation. The college lost both heating and cooling. The existing system could not be repaired and needed immediate replacement.	
Trident Machine Tools, Inc.	\$148,306
- Educational equipment. Industry standard used precision manufacturing industry. Purchased directly from the manufacturer.	

EMCC

Advanced Educational Technologies, LLC	\$16,307
- Data acquisition and control modules for Electrical and Automation Program. Sole supplier in the US for LabVolt series.	
Bell/Simons Companies	\$35,589
- Lab supplies for the HVAC program. In addition, multiple departments order supplies. One hundred thirty-eight transactions, all under \$1,000.	
CDW Government, Inc.	\$33,779
- Maintenance on computer system infrastructure.	
DCI, Inc.	\$11,288
- Purchased the same beds for dorms as previously ordered to be consistent (interchangeable pieces, consistent style).	
Horizon Solutions, LLC	\$15,019
- Lighting and electrical supplies. Sixty-four transactions, all under \$1,000. EMCC will issue an RFP in FY18.	
Mechanical Services, Inc.	\$14,570
- Security and door controls to expand existing security system.	
NH Bragg	\$18,946
- Welding supplies, tools and safety equipment for instructional departments. Selected because the vendor has the most comprehensive and well stocked supply. They are competitive and offer an educational discount. One hundred thirty-six transactions, all under \$1,000. Blanket order was put in place mid-year.	
Pocket Nurse	\$23,000
- Education supplies for mobile medication system used In healthcare education.	
The Maintenance Connection, Inc.	\$12,427
- Janitorial and housekeeping supplies. Thirty-one transactions, all under \$1,000. EMCC will issue an RFP in FY18.	

KVCC

Apple Computer, Inc.	\$29,203
- Computer purchases. The only way an institution can access the apple educational discount is to purchase computers directly through Apple.	
Laerdal Medical Corporation	\$10,529
- Equipment purchased for the simulation lab. Laerdal is the only manufacturer and supplier of virtual IV systems in the US.	
Mechanical Services, Inc.	\$18,961
- Security and door controls to expand existing security system.	
Pocket Nurse	\$18,345
- Education supplies for mobile medication system used In healthcare education.	

NMCC

Advanced Educational Technologies, LLC	\$11,528
- Specialized equipment for Wind Power Technology program – only supplier with compatible electrical modules.	
City of Presque Isle ¹	\$70,140
- Rent for additional building, not bid, contract selected based on proximity and functionality.	
Coastal Auto Parts, Inc.	\$12,686
- Parts and supplies used in automotive industry. One hundred sixty-six transactions under \$1,000. One transaction over \$1,000.	
Consolidated Electrical Distributors, Inc.	\$24,777
- Materials purchased for buildings and grounds maintenance. Two hundred two transactions under \$1,000. Two transactions over \$1,000. NMCC will issue an RFP in FY18.	

¹ NMCC reported City of Presque Isle in the FY15 and FY16 reports. MCCC will discontinue reporting this procurement unless future circumstances warrant reporting.

Fastenal Company	\$11,729
- Small parts and supplies used across campus. Ninety-seven transactions under \$1,000. One transaction over \$1,000.	
Langille Construction, Inc.	\$12,042
- Contracted with the vendor used by City of Presque Isle Water Plan.	
Lowe's Commercial Services	\$10,278
- Materials for buildings and equipment maintenance. One hundred eighty transactions under \$1,000. One transaction over \$1,000.	
P&E Distributors	\$15,105
- Janitorial supply for facilities maintenance. Sixty-seven Transactions, all under \$1,000.	
Rathbun Lumber Company	\$10,397
- Materials for maintenance and educational supplies. One hundred forty transactions, all under \$1,000.	
Redlon & Johnson Supply	\$13,000
- Materials for facilities maintenance and educational supplies. One hundred sixty-three transactional under \$1,000. One transaction over \$1,000.	
Trident Machine Tools, Inc.	\$10,490
- Educational equipment. Industry standard used precision manufacturing industry. Purchased directly from the manufacturer.	
Whited Truck Center	\$20,333
- Equipment used in Commercial Driving License program.	
SMCC	
Cross Insurance Arena	\$13,145
- The College needs an indoor facility to host its graduation ceremony. The Cross Insurance Arena is the only venue in the area large enough to host this event.	

Hannaford Charge Sales	\$11,116
- Food and supplies. Hannaford is the only local grocery store that allows purchases to be billed on account. Seventy transactions under \$1,000. One transaction over \$1,000.	

Kamco Supply Company	\$22,228
- Ceiling tiles matching existing tiles in the building.	

WCCC

Calais Market, Inc. *	\$10,116
- Food and supplies. Twenty-five transactions under \$1,000. Five transactions over \$1,000.	

YCCC and the System Office

There were no reportable procurements identified for York County Community College or the System Office.

B. "Contributions" Greater than \$1,000

5 M.R.S.A. §12023 requires a report, for the period July 1, 2016 through June 30, 2017, of contributions greater than \$1,000. Under 5 MRSA § 12022, "contributions" means payments for "membership dues and fees, gifts, donations and sponsorships."

College compliance with the MCCS contributions procedure has been substantial. MCCS has no donations, two gifts to report, and seven sponsorships to report.

Because of the educational and administrative expertise required by the nearly 300 academic programs offered by the seven colleges, there are 35 memberships to report.

All of the following expenditures were mission related and, except for the gifts and sponsorships noted, were payments for memberships.

CMCC

American Association of Community Colleges	\$ 3,685
American Society of Composers, Authors and Publishers	\$ 1,667
College for ME ¹	\$ 1,000
Council for Opportunity in Education	\$ 2,950
Lewiston Auburn Metropolitan Chamber of Commerce ¹	\$ 2,500
National Association of Student Financial Aid Administrators-2017	\$ 1,015
National Association of Student Financial Aid Administrators-2018	\$ 1,003
National League for Nursing	\$ 1,833
United States Collegiate Athletic Association	\$ 5,000
Yankee Small College Conference	\$ 3,169

EMCC

American Association of Community Colleges	\$ 3,665
American Council on Education	\$ 2,319
Council for Opportunity in Education	\$ 3,250
National Behavioral Intervention Team Association	\$ 1,199
National Council for State Authorization for Reciprocity Agreements	\$ 2,000
National League for Nursing	\$ 1,165
New England Association of Schools and Colleges	\$11,687
Regional School Unit 22	\$ 2,895

KVCC

Accreditation Council for Business Schools and Programs	\$ 2,150
American Association of Community Colleges	\$ 3,867
American Association of Medical Students	\$ 1,384
Council for Opportunity in Education	\$ 3,250
Maine Campus Compact	\$ 2,129
National Association of Student Financial Aid Administrators	\$ 1,494

¹ Advertising to recruit students.

National Council for State Authorization for Reciprocity Agreements	\$ 2,000
National League for Nursing	\$ 1,165
New England Association of Schools and Colleges	\$10,922

NMCC

Accreditation Council for Business Schools and Programs	\$ 2,150
ASA Charter Program ²	\$ 2,333
Council for Opportunity in Education	\$ 2,950
Katahdin Area Council for Boy Scouts ²	\$ 1,500
National League of Nursing	\$ 1,165
New England Association of Schools and Colleges	\$ 9,259
Northern Maine Development Commission	\$ 2,500
The Aroostook Medical Center ²	\$ 2,500

SMCC

Academy of Nutrition and Dietetics	\$ 1,900
Accreditation Commission for Education in Nursing, Inc.	\$ 2,875
Accrediting Bureau of Health Education Schools, Inc.	\$ 3,200
American Association of Community Colleges	\$ 7,751
American Society of Composers, Authors and Publishers (ASCAP)	\$ 1,390
Commission on Accreditation of Ed in EMS Professions (COAEMSP)	\$ 1,400
Commission on Accreditation for Respiratory Care	\$ 1,900
Council for Advancement and Support of Education	\$ 1,190
Council for Opportunity in Education	\$ 2,950
Curtis Memorial Library ³	\$ 6,500
Joint Review Committee on Education (JRCERT)	\$ 2,100
Maine Campus Compact	\$ 6,150
Maine State GIS Consortium	\$ 1,650
Nat'l Institute for Staff & Organizational Development (NISOD)	\$ 1,990
National Association of Student Financial Aid Administrators	\$ 1,761
National Council for State Authorization Reciprocity Agreements	\$ 4,000
National League of Nursing	\$ 2,430
New England Association of Schools and Colleges	\$14,476
Northeast Regional Computing Program	\$ 1,112
Pine Tree Admissions Consortium	\$ 1,600
Portland Regional Chamber ⁴	\$ 5,000
United States Collegiate Athletic Association	\$ 5,000
Yankee Small College Conference	\$ 3,000

WCCC

American Association of Community Colleges	\$ 1,542
Council for Opportunity in Education	\$ 2,950

² Advertising to recruit students.

³ Membership for SMCC's Midcoast Campus students because the college does not have a fully-staffed library.

⁴ Advertising to recruit students.

National Association of Student Financial Aid Administrators	\$ 1,417
New England Association of Schools and Colleges	\$ 7,850
St. Croix Valley of Commerce ⁵	\$ 2,000
YCCC	
4Imprint, Inc. ⁶	\$ 2,811
American Association of Community Colleges	\$ 2,601
American Council on Education	\$ 1,740
Council for Opportunity in Education	\$ 2,950
New England Association of Schools and Colleges	\$ 8,818
New England Council	\$ 1,500
Shad's Advertising ⁶	\$ 3,225
System Office – system wide	
Achieving the Dream, Inc. ⁷	\$27,800
American Association of Community Colleges	\$ 1,380
Maine State Chamber of Commerce	\$ 1,000
National Association of College and Universities Attorneys	\$ 2,060
National Association of College and University Business Officers	\$ 2,060

⁵ Advertising to recruit students.

⁶ Promotional gifts for student recruitment.

⁷ Membership funded by the Kresge Foundation. Participation in the ATD network supports improved retention System-wide.

C. Description of Policy and Procedure Changes

Finally, 5 M.R.S.A. §12023 requires a report of the description of changes, made in the period July 1, 2016 through June 30, 2017, to MCCS policies and procedures required by 5 MRSA §12022, or used by MCCS to monitor compliance with such policies and procedures.

1. MCCS has not issued any policy or procedure changes that have not already been reported.