

MAINE STATE LEGISLATURE

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OFFICE OF THE PRESIDENT
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January 29, 2019

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

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

Dear Speaker Gideon and President Jackson:

On behalf of the Board of Trustees of the Maine Community College System (MCCS), I respectfully submit the attached report on certain procurements, contributions, and policy changes for the period July 1, 2017 through June 30, 2018 as required by 5 M.R.S.A. § 12023.

To compile this report, MCCS used customized reporting features built into our business management systems. We then tested the validity of those reports and reviewed several transactions with college personnel. Combined, the seven colleges and the MCCS System Office make thousands of purchases each year.

While reporting 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 to monitor compliance through regular reporting and an ongoing dialogue with auditors.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "David Daigler", with a stylized flourish at the end.

David Daigler
President

MCCS 5 M.R.S.A. §12023
Report for the Period
July 1, 2017 through June 30, 2018

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

5 M.R.S.A. §12023 requires a report, for the period July 1, 2017 through June 30, 2018, of procurements over \$10,000 made without competitive procurement under the MCCS policy adopted pursuant to 5 M.R.S.A. §12022.

By their nature, certain transactions do not lend themselves to competitive procurement and so they are not reported here. One such category 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 academic supplies, and certain support services that are necessary to meet specific academic requirements.

MCCS also purchases items for resale in dining halls and food service 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 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, 45,085 transactions, totaling \$70.4 million, were completed during the reporting period. The transactions included in this report, those over \$10,000 that were made without competitive procurement, account for less than 1% of total procurements.

All procurements listed below are mission related. Some individual purchases reported herein are considerably less than \$10,000, but, because the aggregate value of the annual procurement from the same vendor is in excess of \$10,000 and could have reasonably been anticipated, the aggregate transaction value has been reported. In these instances, the colleges are consistently working to anticipate their purchasing needs and, when practicable, make use of blanket Requests for Proposal (RFP) or deploy other more efficient competitive procurement approaches.

TRANSACTIONS WHERE COMPETITIVE PROCUREMENT WAS WAIVED:

CMCC

Pepsi-Cola Company * \$ 59,240
- Soda purchased for resale in cafeteria.

EMCC

Advanced Educational Technologies, LLC¹ \$ 25,887
- Data acquisition and control modules for Electrical and Automation Program. Sole supplier in the US for Lab-Volt series.

Bell/Simons Companies \$ 39,822
- Lab supplies for the HVAC program and other departments. Approximately two hundred transactions, all less than \$1,000. EMCC will issue an RFP for blanket purchasing in FY19.

Horizon Solutions, LLC \$ 11,174
- Lighting and electrical supplies ordered by multiple departments. Forty-seven transactions, all less than \$1,000. EMCC will issue an RFP for blanket purchasing in FY19.

J.C. Electrical & HVAC, LLC \$ 14,788
- The only vendor that supplies on-site labor to cut self-insulated DVC board specific to campus duct work and HVAC ventilation systems, lowering the cost substantially.

William A. Mitchell \$ 10,000
- Purchased virtual training system for Criminal Justice program. The college researched prices and William A. Mitchell was a superior value to other new and used options.

NH Bragg \$ 15,245
- Welding supplies, tools, and safety equipment for instructional departments. The college researched options and NH Bragg offers the most comprehensive and well stocked supply with competitive pricing and an educational discount. One hundred forty transactions less than \$1,000, and one transaction greater than \$1,000. The college has a blanket order for certain departments and will extend that to include all departments in FY19.

¹ EMCC has reported Advanced Educational Technologies in FY17 and FY18 reports. MCCC will discontinue reporting this procurement unless future circumstances warrant reporting. The underlying procurement was competitive and the service relationship cannot be disentangled from Lab-Volt.

Viking Lumber \$ 15,967
- Building supplies for the Building Construction Technology program. One hundred ten purchases all less than \$1,000.

KVCC

Apple Computer, Inc.² \$ 14,658
- Computer purchases. The only way an institution can access the apple educational discount is to purchase computers directly through Apple.

Blackdog Graphics \$ 14,306
- T-shirt purchases for marketing purposes and admissions events.

D.L. Electric, Inc. \$ 12,587
- Emergency replacement of step-down transformer in Applied Electrical classroom.

Fine Line Paving \$ 13,800
- Prompt paving repairs needed in parking area. KVCC contacted a second vendor for a quote.

Pulse Marketing, LLC \$ 10,036
- Logo design and publication manual for marketing purposes. Continued work with vendor to create and monitor Facebook postings. An RFP was issued for marketing services in FY19.

NMCC

Advanced Stores Company, Inc. \$15,859
- Parts purchased for Automotive and Diesel programs. One hundred fifty-seven purchases less than \$1,000. One transaction greater than \$1,000. NMCC will issue an RFP for blanket purchasing in FY19.

Coastal Auto Parts, Inc. \$11,703
- Machinery and tool set purchased for compatibility with donated equipment from Caterpillar and Nortrax.

Consolidated Electrical Distributors, Inc. \$17,233
- Materials purchased for building and grounds maintenance. Two hundred sixty-three transactions less than \$1,000. One

² MCCC has reported Apple Computer, Inc. in FY15 through FY18. Purchasing Apple computers with educational discounts must be done directly through Apple. MCCC will discontinue reporting this procurement until a change in circumstance warrants.

transaction greater than \$1,000. NMCC will issue an RFP for blanket purchasing in FY19.

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|---|-----------|
| Dysart's Service | \$15,685 |
| - Gas and diesel fuel for logging programs. Dysart's was the only vendor that would deliver to remote woodlot. | |
| Fastenal Company | \$20,836 |
| - Small parts and supplies used across campus. One hundred four transactions less than \$1,000 and one transaction greater than \$1,000. NMCC will issue an RFP for blanket purchasing in FY19. | |
| P&E Distributors | \$15,910 |
| - Janitorial supply for facilities maintenance. Forty-three transactions under \$1,000. Three transactions greater than \$1,000. NMCC will issue an RFP for blanket purchasing in FY19. | |
| Rathbun Lumber Company | \$12,436 |
| - Materials for maintenance and educational supplies. One hundred twenty-two transactions less than \$1,000. One transaction greater than \$1,000. NMCC will issue an RFP for blanket purchasing in FY19. | |
| Squaregrove, LLC | \$ 13,432 |
| - Office furniture purchased to match existing furniture. | |
| SMCC | |
| Cross Insurance Arena ³ | \$13,722 |
| The Cross Insurance Arena is the only venue in the area large enough to host the college's graduation ceremony. | |
| Hannaford Charge Sales | \$17,589 |
| - Food and supplies. Hannaford is the only local grocery store that allows purchases to be billed on account. One hundred twenty transactions less than \$1,000. One transaction greater than \$1,000. | |
| JF2, LLC | \$17,109 |
| - Emergency replacement of transformer. | |

³ SMCC has reported Cross Insurance Arena in the FY15 through FY18 reports. As this location is presently the only option, MCCC will discontinue reporting until circumstances warrant reporting.

WCCC

Calais Market, Inc. * \$ 12,598
Food and supplies. Twenty-seven transactions less than \$1,000. Four transactions greater than \$1,000.

Johnson's True Value \$ 12,452
- Building materials and hardware. One hundred seven transactions less than \$1,000. One transaction greater than \$1,000.

YCCC

IB Controls \$ 49,741
- Emergency purchase to replace Delta controls needed to restore heat to all classrooms.

Johnson Controls Fire Protection LP \$ 14,011
- Emergency repairs reimbursed by Insurance.

System Office

B & B Cleaning Services \$10,680
- Janitorial services. System Office will issue RFP in FY19.

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

5 M.R.S.A. §12023 requires a report, for the period July 1, 2017 through June 30, 2018, of contributions greater than \$1,000. Under 5 MRSA § 12022, "contributions" means payments for "membership dues and fees, gifts, donations and sponsorships."

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

CMCC

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| American Association of Community Colleges | \$ 3,988 |
| American Society of Composers, Authors and Publishers | \$ 1,180 |
| Council for Opportunity in Education | \$ 2,950 |
| Lewiston Auburn Metropolitan Chamber of Commerce ⁴ | \$ 1,500 |
| Lewiston Auburn Metropolitan Chamber of Commerce | \$ 1,100 |
| National Association of Student Financial Aid Administrators | \$ 1,000 |
| National League for Nursing | \$ 2,080 |
| New England Association of Schools & Colleges | \$12,037 |
| United States Collegiate Athletic Association | \$ 5,000 |
| Yankee Small College Conference | \$ 2,750 |

EMCC

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| American Association of Community Colleges | \$ 4,772 |
| American Council on Education | \$ 2,365 |
| Bangor Area Stormwater Group, Inc. | \$ 1,600 |
| Council for Opportunity in Education | \$ 3,250 |
| National Association of Student Financial Aid Administrators | \$ 2,095 |
| National Coalition of Certification Centers, Inc. | \$ 5,000 |
| New England Association of Schools & Colleges | \$12,037 |
| Regional School Unit 22 | \$ 4,457 |

KVCC

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|---|----------|
| Accreditation Council for Business Schools and Programs | \$ 2,150 |
| American Association of Community Colleges | \$ 3,994 |
| American Association of Medical Students | \$ 1,625 |
| Council for Opportunity in Education | \$ 2,950 |
| Maine Campus Compact | \$ 3,650 |
| National Association of Student Financial Aid Administrators | \$ 1,499 |
| National Council for State Authorization for Reciprocity Agreements | \$ 2,000 |
| National League for Nursing | \$ 1,177 |
| New England Association of Schools and Colleges | \$11,250 |
| Online Learning Consortium | \$ 1,400 |

⁴ Sponsorship of local event generating valuable marketing opportunity

NMCC

| | |
|---|----------|
| Accreditation Council for Business Schools and Programs | \$ 2,600 |
| Aroostook Mental Health Center ⁵ | \$ 2,500 |
| Council for Opportunity in Education | \$ 2,950 |
| National Council for State Authorization for Reciprocity Agreements | \$ 2,000 |
| National League for Nursing | \$ 2,450 |
| New England Association of Schools and Colleges | \$ 9,536 |
| Northern Maine Development Commission | \$ 2,500 |
| The Aroostook Medical Center ⁵ | \$ 3,000 |

SMCC

| | |
|---|----------|
| Academy of Nutrition and Dietetics | \$ 1,975 |
| Accreditation Review Council on Education in Surgical Tech. | \$ 2,875 |
| Accrediting Bureau of Health Education Schools, Inc. | \$ 3,200 |
| American Association of Community Colleges | \$ 8,017 |
| American Society of Composers, Authors and Publishers (ASCAP) | \$ 1,488 |
| Commission on Accreditation of Ed in EMS Professions (COAEMSP) | \$ 1,700 |
| Commission on Accreditation for Respiratory Care | \$ 1,900 |
| Council for Advancement and Support of Education | \$ 1,225 |
| Council for Opportunity in Education | \$ 2,950 |
| Cumberland County Soil & Water Conservation District | \$ 4,212 |
| Joint Review Committee on Education (JRCERT) | \$ 2,100 |
| Maine Campus Compact | \$ 6,150 |
| National Association of Student Financial Aid Administrators | \$ 1,728 |
| National Council for State Authorization Reciprocity Agreements | \$ 4,000 |
| National League of Nursing | \$ 2,450 |
| New England Association of Schools and Colleges | \$14,910 |
| Northeast Regional Computing Program | \$ 1,134 |
| Pine Tree Admissions Consortium | \$ 1,600 |
| Portland Regional Chamber ⁶ | \$ 5,000 |
| United States Collegiate Athletic Association | \$ 5,000 |
| Yankee Small College Conference | \$ 3,000 |

WCCC

| | |
|---|----------|
| American Association of Community Colleges | \$ 1,435 |
| Council for Opportunity in Education | \$ 3,250 |
| New England Association of Schools and Colleges | \$ 8,085 |
| St. Croix Valley Chamber of Commerce ⁵ | \$ 2,000 |
| St. Croix Valley Chamber of Commerce | \$ 550 |
| Special Olympics Maine ⁵ | \$ 1,000 |
| WQDY/WALZ ⁶ | \$ 4,014 |

⁵ Sponsorship of local event generating valuable marketing opportunity

⁶ Sponsorship advertising

YCCC

| | |
|---|----------|
| 4Imprint, Inc. ⁷ | \$ 2,389 |
| American Association of Community Colleges | \$ 2,597 |
| American Council on Education | \$ 1,775 |
| American Veterinary Medical Association | \$ 1,350 |
| Council for Opportunity in Education | \$ 3,250 |
| National Council for State Authorization | \$ 2,000 |
| New England Association of Schools and Colleges | \$ 9,082 |
| New England Council | \$ 1,500 |
| Online Learning Consortium | \$ 1,400 |
| Shad's Advertising ⁸ | \$ 3,225 |

System Office – system wide

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| Achieving the Dream, Inc. ⁹ | \$35,800 |
| American Council on Education | \$ 1,642 |
| Eastern Maine Development Corp. ¹⁰ | \$ 2,500 |
| Maine Development Foundation ¹⁰ | \$ 5,000 |
| Maine Science Festival ¹⁰ | \$ 3,000 |
| Maine State Chamber of Commerce | \$ 1,100 |
| National Association of College and University Attorneys | \$ 2,120 |
| National Association of College and University Business Officers | \$ 1,766 |

⁷ Promotional gifts for student recruitment

⁸ Sponsorship advertising

⁹ Membership funded by the Kresge Foundation. Participation in the ATD network supports improved retention system-wide

¹⁰ Sponsorship of local event generating valuable marketing opportunity

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, 2017 through June 30, 2018, to MCCA policies and procedures required by 5 MRSA §12022, or used by MCCA to monitor compliance with such policies and procedures.

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