MAINE STATE LEGISLATURE

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STATE OF MAINE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT 59 STATE HOUSE STATION AUGUSTA, MAINE 04333-0059



JACK CASHMAN

March 2, 2006

John E. Baldacci, Governor Office of the Governor 1 State House Station Augusta, ME 04333

Dear Governor Baldacci:

Senator Bromley, Representative Smith and I are requesting that an Executive Order be issued for the purpose of increasing Maine small businesses' access to state contracting opportunities. The Executive Order would direct the Division of Purchases, as well as state agencies that procure goods and services, to take steps to enhance the ability of Maine small businesses to compete for state contracts.

The recommended actions described below are the result of discussions we have had with the Maine Procurement Technical Assistance Center, as well as U.S. Small Business Administration procurement officials. Over recent years, we have seen several bills introduced to increase Maine small businesses' access to state contracting opportunities, but there has been no clear consensus with respect to the extent of the problem. The recommendations described below are intended to define the problem, while taking immediate steps to enhance the ability of Maine businesses to identify prospective state contracting opportunities.

RECOMMENDED ACTIONS:

- 1. Direct the Division of Purchases to collect data for the past two (2) years on all State of Maine procurement awards of over \$25,000. This review will determine whether the awards were made to Maine or an out of state firm.
- 2. Direct the Division of Purchases to begin collecting data on State of Maine procurement awards, including the size of business and the state in which the business operates, for the next two (2) years. This data should identify the business size (large or small in accordance with federal standards) and whether contracts are being awarded to Maine or out-of-state firms. (The purpose here is to assess the extent to which Maine businesses are accessing State contract awards, and whether the issue is predominantly a Maine business or small business issue.)
- 3. Direct the Division of Purchases, using the above data, to establish a baseline of the volume of State of Maine contracts awarded to Maine businesses and <u>small</u> businesses over the four (4) year period. This will enable State policymakers to determine whether

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or not additional actions are needed to increase Maine businesses' and small businesses' access to State contracting opportunities.

- 4. Immediate actions to enhance the ability of Maine businesses to identify potential state opportunities.
 - a. Direct all State agencies that procure goods and services to post on their websites, beginning July 1, 2006, a twelve-month forecast of anticipated contracts of over \$25,000. This will enable Maine small businesses to plan potential teaming arrangements well in advance of contracts being officially solicited, thereby enhancing opportunities for submitting qualified bids.
 - b. As the Division of Purchases moves forward with their new procurement system, allow the state and federally funded Maine Procurement Technical Assistance Center (Maine PTAC) to access electronically solicitation announcements for both services and commodities. The Maine PTAC already notifies Maine businesses of federal procurement opportunities as they are announced and would like to offer this same service for state opportunities. By forwarding procurement opportunity information directly to prospective bidders, the Maine PTAC's free "bid matching" service, allows participating firms to focus on business instead of monitoring a myriad of websites, in order to identify procurement opportunities.

We look forward to working with you to ensure that Maine small businesses have every opportunity to compete effectively for state contracts.

Singerely,

Jack Cashman Commissioner

Representative Nancy Smith