

MAINE STATE LEGISLATURE

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Maine Community College System

OFFICE OF THE PRESIDENT
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www.mccs.me.edu

January 30, 2014

The Honorable Justin Alford, President
Maine State Senate
3 State House Station
Augusta, ME 04333-0003

Dear President Alford:

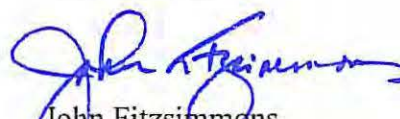
I am pleased to submit on behalf of the Board of Trustees of the Maine Community College System (MCCS) the attached report on certain procurements, contribution and policy changes for the period July 1, 2013 through December 31, 2013 as required by 5 M.R.S.A. §12023(2).

On November 28, 2012, the Trustees adopted revised and/or new policies and procedures in the six subject matters required by 5 M.R.S.A. §12022. On February 1, 2013 MCCS reported those policies and procedures to the Legislature as required by 5 M.R.S.A. §12023(1).

To report the information required by §12023(2), MCCS developed a customized business office module for each of the seven colleges and the System Office, and then fed that module with data from the purchase order, cash disbursements and credit card systems. There are hundreds of purchases and expenditures across the state by the seven colleges, ten centers and System Office every business day. While the task is complex, our review indicates that the colleges' compliance with System policy has been substantial. Expenditures are consistently mission related and, in those few areas where some improvements can be made, they are already underway. 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 their own ongoing attention to these matters at their regular meetings.

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

Sincerely yours,



John Fitzsimmons
President

Enclosure



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January 30, 2014

The Honorable Mark Eves, Speaker
Maine State House of Representatives
2 State House Station
Augusta, ME 04333-0002

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Enclosure

**MCCS 5 M.R.S.A. §12023(2) Report
for the Period
July 1, 2013 through December 31, 2013**

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

5 M.R.S.A. §12023(2) requires a report, for the period July 1, 2013 through December 31, 2013, of procurements over \$10,000 without competitive procurement under the MCCS policy adopted pursuant to 5 MRSA §12022. The following transactions, or grouping of transactions, have been identified as sole sourced either because there was no known competitive procurement, or because the competitive procurement process took place sufficiently long ago to be deemed no longer valid.¹

Although our internal procurement recording system is transaction-based by college, college compliance with MCCS procedures has been substantial. In total, the procurements reported here account for 1.5% of the \$34.4 million in procurements made and reviewed during the reporting period. All such procurements are mission related. Explanatory notes accompany each reported item.

Note that several of the following items are listed even though their report may not have been required. These items involve the same dynamic. Sometimes a college will procure goods or services less than \$10,000 at a time when they do not know that they will later procure like goods or services from the same vendor at a later period. Because the procurements are below \$10,000, they do not require report. Nonetheless, in those instances where there were repeated transactions with the same vendor over a relatively short period of time, we elected for this filing to report the aggregate value of the transactions as a single "procurement." As noted below, one improvement we are already making is to try and better anticipate future procurements in such recurring areas and, when practicable, to make broader use of blanket RFP's or other like efficient approaches.

1. CMCC

Apple Direct	\$21,450
Computer purchases. The only way an institution can access the Apple Educational discount is to purchase the computers directly through Apple.	
Central Distributors	\$14,462
Soda purchase for re-sale in the cafeteria. Thirty-four transactions with none over \$1,000. CMCC is in the process of issuing an RFP for a blanket contract for these products.	
CI Sport	\$19,866
Soft goods purchases for resale in the bookstore. Purchasing is competitive, but not compliant with the specific policy currently in place.	
Gear for Sports	\$15,481
Soft goods purchases for resale in the bookstore. Purchasing is competitive, but not compliant with the specific policy currently in place.	

¹ Note that payments to public utilities, municipalities or municipal subdivisions with monopolistic authority to deliver certain services (such as water, electricity, and sewer) are not reported as "sole source purchases" because competitive procurement is not feasible.

Hat World \$15,417
One transaction was \$12,007, nine others totaled \$3,410. Team uniforms procured under sole source to ensure consistency in color.

Laeder Medical \$14,694
Virtual intervenus ("IV") arm for health occupations instruction. Vendor is the only manufacturer and supplier of the virtual IV system in the nation.

Pepsi Cola Co. \$36,169
Soft drink purchases for resale in the cafeteria. Purchasing is competitive, but not compliant with the specific policy currently in place. CMCC will be issuing an RFP for a blanket contract for these services.

Robert Simoneau \$18,000
Professional Services from a grant writer with a unique understanding of CMCC and the \$899,998 National Science Foundation grant successfully secured for the college.

2. EMCC

Bonney Staffing \$10,623
Temporary office help for a variety of needs on campus. Twenty-four transactions with none over \$1,000. EMCC will be issuing an RFP for a blanket contract for these services.

Maine Business Services \$39,299
Temporary help for a variety of needs on campus. Sixty-two transactions with none over \$1,000. EMCC will be issuing an RFP for a blanket contract for these services.

North Center Food Services \$11,508
Food purchases for Culinary Arts program. Twenty-four with none over \$1,000. EMCC will be issuing an RFP for a blanket contract for these products.

Pine Tree Waste \$16,112
Environmental waste management, called on an as-needed basis. Nineteen transactions with five over \$1,000. EMCC will be issuing an RFP for a blanket contract for these products.

3. KVCC

Atlantic Partners, EMS \$32,720
Atlantic Partners, the official regional EMS office, provides clinical supervision and didactic instruction as well as national licensure testing for KVCC students. No other entity in the region can provide these services.

AtWork Personnel Services \$36,329
Temporary help for a variety of locations on campus. Forty-one transactions with sixteen over \$1,000. KVCC will be issuing an RFP for a blanket contract for these services.

Bonney Staffing \$18,542
Temporary office help for a variety of needs on campus. Thirty transactions with none over \$1,000. KVCC will be issuing an RFP for a blanket contract for these services.

Titan Mechanical Called in for emergency repairs on twelve occasions.	\$19,488
Maine Rural Partners Professional service provider specified in a grant to KVCC.	\$18,788
Statewide Aqua Store Only company known at the time of purchase to providing cleaning services for KVCC's large-scale (i.e., 199,000 gallons) water tank system.	\$20,255

4. NMCC

City of Presque Isle Rent for the Alternative Energy Laboratory in a facility immediately proximate to the college.	\$35,070
Gear for Sports Soft goods purchases for resale in the bookstore. Purchasing is competitive, but not compliant with the specific policy currently in place.	\$12,187

5. SMCC

Apple Direct Computer purchases. The only way an institution can access the Apple Educational discount is to purchase the computers directly through Apple.	\$35,655
Midcoast Regional Redevelopment Authority Required payments for SMCC Midcoast Campus share of common expenses for snow removal, electricity and common area maintenance.	\$17,713

6. WCCC

Maine Paper and Janitorial Janitorial supplies, purchased on as needed. Ten transactions with five over \$1,000. WCCC will be issuing an RFP for a blanket contract for these products. ²	\$15,152
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B. "Contributions" Greater than \$1,000

5 M.R.S.A. §12023(2) requires a report, for the period July 1, 2013 through December 31, 2013, 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 MCCC contributions procedure has been substantial. MCCC has no donations, no gifts to report, and only one sponsorship to report. Because of the educational and administrative expertise required by the nearly 300 academic programs offered by the seven colleges, there are 33 memberships to report.

² No reportable procurements were identified for YCCC or the System Office.

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

1. CMCC

American Association of Community Colleges	\$ 3,490
National League of Nursing	\$ 1,915
New England Association of Schools and Colleges	\$11,235
United States Collegiate Athletic Association	\$ 4,500
Yankee Small College Conference	\$ 2,025

2. EMCC

American Association of Community Colleges	\$ 2,646
American Council on Education	\$ 1,608
National League of Nursing	\$ 1,130
New England Association of Schools and Colleges	\$11,235
United States Collegiate Athletic Association	\$ 4,500
Yankee Small College Conference	\$ 2,025

3. KVCC

American Association of Community Colleges	\$ 3,490
American Occupational Therapy Association	\$ 3,450
Council for Opportunity in Education	\$ 3,168
National Association of Student Financial Aid Administrators	\$ 1,203

4. NMCC

Accreditation Council for Business Schools and Programs	\$ 1,950
Council for Opportunity in Education	\$ 2,868
National League for Nursing	\$ 1,130
New England Association of Schools and Colleges	\$ 8,990
Northern Maine Development Commission	\$ 2,500
Presque Isle Hockey League	\$ 2,450
United States Collegiate Athletic Association	\$ 4,500
Yankee Small College Conference	\$ 2,025

5. SMCC

American Association of Community Colleges	\$ 6,694
Curtis Memorial Library	\$ 6,500 ³
Maine Campus Compact	\$ 6,150
Maine Higher Educational Council	\$ 1,231
National Association of Student Financial Aid Administrators	\$ 1,477
National League for Nursing	\$ 2,175
New England Association of Schools and Colleges	\$15,730
Pine Tree Admissions Consortium	\$ 1,600
United States Collegiate Athletic Association	\$ 4,500

³ Membership for SMCC's Midcoast Campus students because that Campus does not have a staffed library.

Yankee Small College Conference \$ 2,025

6. WCCC

American Association of Community Colleges \$ 1,986
Council for Opportunity in Education \$ 2,868
New England Association of Schools and Colleges \$ 7,025
St. Croix Valley Chamber of Commerce \$ 2,000⁴

7. YCCC

American Association of Community Colleges \$ 2,646
New England Association of Schools and Colleges \$ 8,990

8. System Office

National Association of College/University Attorneys \$ 1,760
National Association of College/University Business Officers \$ 1,630

C. Description of Policy and Procedure Changes

Finally, 5 M.R.S.A. §12023(2) requires a report of the description of changes, made in the period July 1, 2013 through December 31, 2013, to MCCS policies and procedures required by 5 MRSA §12022, or used by MCCS to monitor compliance with such policies and procedures. MCCS has:

1. Amended Trustee budget approval procedures to account for unanticipated late-year expenses -- such as those arising from grant requirements, student recognition and athletic tournaments -- by providing that the System President, "guided by guidelines established by the Board of Trustees," may (such as when MCCS is between Trustee regular meetings) approve limited expenditures beyond those initially budgeted only if such additional amounts are "justified, reasonable and within the scope the System's mission and activities;" and
2. Amended competitive procurement procedure to:
 - a. Distinguish the bidding requirements for the procurement of professional services from the procurement of professional services that specifically involve the renovation and construction of buildings, and to amplify each such set of requirements;
 - b. Clarify that maintenance agreements that attach to an underlying product (such as for software) are to be considered part of the bid process for the underlying product; and
 - c. Correct several technical and grammatical matters.

⁴ Sponsorship of a local event hosted by the regional chamber of commerce that was a valuable marketing and advertising opportunity. WCCC received repeated recognition, speaking time by the college president and banner advertising at an event attended by 500 people, as well as radio interview time and 200 radio spot references around the time of the event.