

MAINE STATE LEGISLATURE

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OFFICE OF THE PRESIDENT
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January 30, 2017

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, 2015 through June 30, 2016 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 "Derek P. Langhauser".

Derek P. Langhauser President

MCCS 5 M.R.S.A. §12023
Report for the Period
July 1, 2015 through June 30, 2016

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

5 M.R.S.A. §12023 requires a report, for the period July 1, 2015 through June 30, 2016, 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 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 and other academic support materials that are necessary to meet specific academic requirements of a course.

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, 50,751 transactions, totaling \$81.7 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 less than 1% 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 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 continue our efforts to anticipate recurring procurements and, when practicable and to make broader use of blanket Request for Proposals (RFP) when appropriate.

TRANSACTIONS WHERE COMPETITIVE PROCUREMENT WAS WAIVED:¹

CMCC

CI Sports*	\$14,185
- Soft goods purchases for resale in the bookstore.	
Gear for Sports*	\$12,123
- Soft goods purchases for resale in the bookstore.	
MV Sport*	\$15,391
- Soft goods purchases for resale in the bookstore.	
Pepsi-Cola*	\$72,978
- Soda purchase for re-sale in the cafeteria. Eighty-eight transactions; thirty-two transactions over \$1,000.	

EMCC

Home Depot Credit Services	\$21,276
- Lab supplies for HVAC. One hundred and one transactions; none over \$1,000. EMCC will issue an RFP for blanket purchasing in FY17.	
Horizon Solutions, LLC	\$13,560
- Lighting and electrical supplies used for projects throughout the EMCC campus. Seventy-four transactions; three over \$1,000. EMCC will issue an RFP for blanket purchasing in FY17.	
Lowe's Commercial Services	\$12,084
- Janitorial and housekeeping supplies needed for Facilities Maintenance and the Building Construction program. One hundred and seventeen transactions; zero over \$1,000. EMCC will issue an RFP for blanket purchasing in FY17.	
Maine Paper & Janitorial Products	\$37,207
- Janitorial and housekeeping supplies for the Facilities Maintenance Department. Ninety-nine transactions; none over \$1,000. EMCC will issue an RFP for blanket purchasing in FY17.	
NH Bragg	\$15,652
- Welding/tool supply and safety equipment for instructional departments. Selected as most comprehensive and well-stocked supply and educational discount in the local market. One hundred and twenty-eight transactions; none over	

¹ No reportable procurements were identified for the System Office.

\$1,000. EMCC will issue an RFP for a blanket contract in FY17.

Otis Elevator Inc. \$10,116
- Licensing required - elevator service contract.

KVCC

Anderson Courts and Sports Surfaces, Inc. \$32,175
- Replacement of two racquetball court walls completed by the original installer to ensure exactitude.

Apple Computer, Inc. \$39,040
- Computer purchases. The only way an institution can access the Apple educational discount is to purchase the computers directly through Apple.

Maine Controls, Inc.² \$55,824
- KVCC selected Andover Building Automation Controls through competitive procurement for door security control throughout the several years ago.

Mechanical Services, Inc. \$13,860
- Security and door controls to expand existing Security System.

NMCC

Advance Stores Company, Inc. \$15,072
- Automotive parts and supplies for academic use. One hundred and thirteen transactions; three over \$1,000. NMCC will issue an RFP for a blanket contract in FY17.

City Of Presque Isle \$70,140
- Rent for the Alternative Energy Laboratory in a facility immediately proximate to the college.

Gear for Sports* \$20,626
- Soft goods purchases for resale in the bookstore.

Rathbun Lumber Company \$10,011
- Repairs to building. All purchases less than \$1K, many non-related purchases less than \$200.

² KVCC reported Maine Controls in the FY15 and FY14 reports. The underlying procurement was complete and the service relationship cannot be disentangled from door security system. MCCC will discontinue reporting this procurement unless future circumstances warrant reporting.

S W Collins Co. \$22,965
- Uniform display and trophy case.

SMCC

Apple Computer Inc. \$46,916
- Computer purchases. The only way an institution can access the Apple educational discount is to purchase the computers directly through Apple.

Cumberland Country Civic Center \$11,028
- The college needs an indoor facility to host its graduation ceremony. The Cumberland County Civic Center is the only venue in the area large enough to host this event.

Hannaford \$24,723
- Food and supplies purchased for multiple departments. Hannaford is the only local grocery store that allows purchases to be billed on account. Eighty-seven transactions; one over \$1,000.

WCCC

Johnson's True Value \$13,741
- Building materials & hardware purchase for the maintenance department and instructional programs. One hundred and two transactions; one over \$1,000.

YCCC

Apple Computer Inc. \$11,711
- Computer purchases. The only way an institution can access the Apple educational discount is to purchase the computers directly through Apple.

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

5 M.R.S.A. §12023 requires a report, for the period July 1, 2015 through June 30, 2016, 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, four gifts and three sponsorships to report.

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

CMCC

American Association of Collegiate Registrar and Admissions Officers	\$1,356
American Association of Community Colleges	\$3,174
Council for Opportunity in Education	\$2,935
Local Chamber of Commerce memberships; Franklin, Bethel, Boothbay, Damariscotta	\$1,741
NASFAA/MASFAA/EASFAA (3 members in Fin Aid)	\$1,113
National League of Nursing	\$1,118
United States Collegiate Athletic Association	\$5,000
Yankee Small College Conference	\$1,856

EMCC

Achieving The Dream, Inc. ³	\$30,000
American Association of Community Colleges	\$3,490
American Council on Education	\$2,251
Maine Campus Compact	\$3,650
National League for Nursing	\$1,130
New England Assoc. Schools & Colleges, Inc.	\$11,687
Maine Regional School Unit 22	\$2,895
United State Collegiate Athletic Association	\$5,000
University of Texas at Austin	\$4,845
Western Interstate Commission for Higher Education	\$2,000
Yankee Small College Conference	\$1,000

KVCC

Accreditation Council for Business Schools and Programs	\$2,150
American Association of Community Colleges	\$2,646
American Association of Medical Students	\$1,250

³ Membership funded by the Kresge Foundation, offers free national conference attendance and includes the cost of ATD coaches to train EMCC staff on the campus. Participation in this network helps to promote higher retention efforts at EMCC.

Association of Occupational Therapy	\$3,650
Center for Community College Student Engagement	\$4,845
LYRASIS (Library resources)	\$1,460
National Association of Student Financial Aid Administrators	\$1,262
National League of Nursing	\$1,130
New England Association of Schools and Colleges	\$10,922
Qualtrics (Research resources)	\$4,500

NMCC

Accreditation Council for Business Schools and Programs	\$2,150
Council for Opportunity in Education	\$2,950
National League of Nursing	\$1,130
New England Association of Schools and Colleges	\$9,438
Northern Maine Development Commission	\$2,500
Presque Isle Gentlemen's Hockey League (student participation)	\$2,726
The Aroostook Medical Center ⁴	\$2,500

SMCC

Academy of Nutrition and Dietetics	\$1,850
Accreditation Commission for Education in Nursing	\$2,625
American Association of Community Colleges	\$6,644
American Culinary Federation Inc.	\$1,200
American Society of Composers Authors and Publishers	\$1,568
Community College Survey of Student Engagement	\$6,580
Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions	\$1,400
Commission on Accreditation for Respiratory Care	\$1,900
Council For Advancement and Support of Education	\$1,004
Council For Opportunity In Education	\$3,250
Curtis Memorial Library Membership Fees for Midcoast Students ⁵	\$6,500
Joint Review Committee on Education in Radiologic	\$2,100
Maine Campus Compact	\$6,150
National Association of Student Financial Aid Administrators	\$1,549
National Association of Student Personnel Administrators	\$1,138
National League For Nursing	\$2,175
New England Association of Schools and Colleges	\$15,730
Pine Tree Admissions Consortium	\$1,600
Sense	\$6,420
United States College Athletic Association	\$5,000

⁴ Sponsorship of a local event generating valuable marketing opportunity

⁵ Membership for SMCC's Midcoast Campus students because that Campus does not have a fully-staffed library

Western Interstate Commission for Higher Education/ National Council for State Authorization Reciprocity Agreements	\$4,000
Yankee Small College Conference	\$2,025
WCCC	
American Association of Community Colleges	\$1,936
Council for Opportunity in Education	\$2,950
New England Association of Schools & Colleges	\$7,998
City of Calais ⁴	\$2,500
St. Croix Valley Chamber of Commerce ⁴	\$2,000
YCCC	
4Imprint Inc. ⁶	\$2,279
American Association of Community Colleges	\$2,646
American Council on Education	\$1,689
Council for Opportunity in Education	\$2,950
National Association of Student Financial Aid Administrators	\$2,270
National Council for State Authorization Reciprocity Agreements	\$2,000
National Pen Company ⁶	\$1,440
New England Association of Schools and Colleges	\$8,990
New England College	\$1,500
R & W Engraving, Inc. ⁷	\$1,746
Shad's Advertising ⁶	\$1,926
System Office/System-Wide	
American Association of Community Colleges	\$1,380
Association of Community College Trustees	\$6,615
Maine State Chamber of Commerce	\$1,000
National Association of College and University Attorneys	\$1,840
National Association of College and University Business Officers	\$1,711

⁶ Promotional Gifts for student recruitment

⁷ Employee service award gifts

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, 2015 through June 30, 2016, 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.