

MAINE STATE LEGISLATURE

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January 31, 2019

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

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

Dear President Jackson and Speaker Gideon:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the required report from the Maine State Housing Authority due by February 1, 2019.

Please contact me if you have any questions or need additional information.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Daniel Brennan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel Brennan
Director

Maine State Housing Authority

For The Year Ended December 31, 2018

A. Procurements Greater than \$10,000

Description	Amount	Justification for Waiver
CFX Incorporated	\$555,866.88	CFX provides unique services for MaineHousing's \$1.7 billion bond resolution, including basic annual cash flow projections, rating agency stress test monitoring, tax compliance monitoring, Annual Arbitrage Report for each bond issue, bond refunding analysis and cross call analysis, modeling to test various business strategies, and reports for bond rating agencies. The contract between MaineHousing and CFX has been automatically renewed annually since 2008 due to the unique bundle of services they provide. MaineHousing plans to issue a competitive request for proposals (RFP) in 2019.
EnableIT	\$11,700.00	Enable IT has housed MaineHousing's backup disaster recovery site in Brunswick for more than 10 years. This is a service that requires some stability. MaineHousing plans to issue a competitive request for proposals (RFP) in 2019.
Safe Environmental Solutions	\$14,700.00	Safe Environmental Solutions provided a four-day Lead Supervisor Training class. They are the only certified lead abatement trainer in Maine. Forty people including MaineHousing staff, Community Action Program staff and lead abatement contractor employees attended regularly scheduled classes in 2018. These classes are part of the HUD Lead Program, and are paid for with HUD training dollars.

B. Contributions Greater than \$1,000

	Amount	Description
Association of Government Accountants Employee Annual Memberships	\$1,091.00	Provides on-going education and professional certification for government, financial, and management professionals.
Maine Affordable Housing Coalition Conference Sponsor	\$2,500.00	
Maine Real Estate & Development Association Annual Membership	\$1,200.00	Advocates for responsible real estate development and affordable housing.

Maine Resident Service Coordinator Association Annual Sponsor	\$2,500.00	Works to build capacity of Resident Service Coordinators, as required by the Low Income Housing Tax Credit program.
Maine State Bar Association Employee Annual Memberships	\$1,070.00	Provides on-going training and resources for practicing attorneys in Maine.
Mortgage Bankers Association Annual Affiliate membership	\$1,350.00	Advocates for a safe and sustainable real estate finance system.
National Association for State Community Services Programs Annual Membership	\$1,302.00	Provides training and technical assistance, networking and advocacy for Department of Energy Weatherization Grant recipients.
National Council of State Housing Agencies Annual Membership	\$26,702.00	National trade association for state housing finance agencies. Provides effective advocacy with Congress and the Administration. Played a key role in preserving private activity bonds in the recent tax reform bill. Provides critical and effective trainings for almost all of the programs MaineHousing delivers.
National Energy Assistance Directors' Association Annual Membership	\$6,248.00	Provides training, technical assistance, networking, and advocacy for all Low Income Home Energy Assistance Program (LIHEAP) grantees.
National Affordable Housing Management Association	\$1,025.00	Promotes professional asset management.
New England Resident Service Coordinator Conference Sponsor	\$2,500.00	
Northern New England Community Action Training Conference Sponsor	\$1,500.00	

C. Changes to MaineHousing's written policies or procedures.

MaineHousing's Procurement Policy was updated in November 20, 2018. Below you will find a summary of the Revisions:

Procurement – \$10,000 or less

Existing: Informal procurement for up to \$3,000 federal and \$10,000 non-federal funds. Different procedures required for over \$3,000 to \$10,000 federal.

Revision: Same informal procurement procedures now apply to federal and non-federal funds up to \$10,000.

Reason: Former federal threshold of \$3,000 for small purchases was increased to \$10,000 earlier this year. Maine threshold is still \$10,000.

Procurement – Over \$10,000 to \$250,000

- A. Existing: Procurements over \$10,000 to \$150,000 do not require a formal RFP, regardless of funding source.

Revision: Limit increased to \$250,000.

Reason: Former federal threshold of \$150,000 for procurements not requiring a formal RFP was increased to \$250,000 earlier this year.

- B. Existing: Exception allows non-federal funds to be used for consumable office supplies, up to \$150,000 per year for 5 years.

Revision: Limit increased to \$250,000.

Reason: Increase provides for standardized threshold also used in other Procurement Policy provisions.

Note: If the amount of Non-Federal Funds or Federal Funds that MaineHousing will pay for goods or services over the Contract Duration will be over \$10,000 but not over \$250,000, MaineHousing will use the following procurement procedure to purchase those goods or services:

Send to at least three vendors (i) a written request for quote when price is the primary or only factor to be considered or (ii) a written invitation to submit proposals when selection factors in addition to price will be considered, stating the date by which vendor responses must be received.

Procurement – Over \$250,000

- A. Existing: Procurements over \$150,000 require a formal RFP, regardless of funding source. Notice of RFP must be published in newspapers and on MH website. Federal RFP procedures are used regardless of funding source.

Revision: Procurements over \$250,000 require a formal RFP. No newspaper publication. Federal RFP procedures used only for federal funding. Flexibility to design RFP for non-federal funding.

Reason: Standardizes threshold for formal RFP from \$150,000 to \$250,000 for all funding sources based on increase in federal threshold to \$250,000. Newspaper publication not required under federal or Maine rules. Streamlines RFP approach for non-federal funds, which are used most of the time.

- B. Existing: Exception does not require RFP if up to \$150,000 of non-federal funds used for financial instruments/services.

Revision: Limit increased to \$250,000.

Reason: Standardizes threshold from \$150,000 to \$250,000.

- C. Existing: Exception does not require RFP if up to \$150,000 of non-federal funds used for off-the-shelf software with mandatory annual maintenance agreement.

Revision: Limit increased to \$250,000.

Reason: Standardizes threshold from \$150,000 to \$250,000.

Sole Source Procurement

- A. Existing: Sole source procedures apply to procurements over \$3,000 federal or \$10,000 non-federal.

Revision: Sole source procedures apply over \$10,000, regardless of funding source.

Reason: Former federal threshold of \$3,000 was increased to \$10,000.

- B. Existing: Five bases for using sole source: (1) uniqueness; (2) emergency; (3) inadequate proposals received; (4) federal authorization; and (5) purchase under competitively-procured State contract. (1) – (3) require Director approval after consultation with Board Chair.

Revision: Two new sole source bases added: (1) improvements to software already owned by or licensed to MH; and (2) after a procurement, another entity has a contract for goods/services to be shared by MH. Director approval for (1) – (3) above and for two new sole source bases required. Director consults with Board Chair only if over \$150,000.

Reason: Software – Inefficient and impractical to make software improvements through another vendor. Other entity procurement – To participate in services intended to be shared by lead agency with MH and maybe others.

Multi-year Contracts

Existing: 5-year limit on contracts before another procurement is required. Exceptions are: (1) off-the-shelf software with mandatory year-to-year maintenance agreement; (2) procurements based on federal approval or State of Maine procurement; and (3) longer term approved by Board.

Revision: (1) Software exception expanded to all software and software improvements; (2) exception added for competitively-procured contracts for goods/services to be shared by MH; (3) exception added for disaster preparedness or recovery; (4) exception added for renewal/rollover of term of financial instrument tied to MH bonds; and (5) because of possible Board approval of extension, provision added indicating that contract should state possibility of extension if Board approval is expected to be requested.

Reason: (1) Software – preserves MH's investment; (2) allows MH to share goods/services for full term of other entity's contract; (3) impractical and potentially harmful to limit contract term in disaster planning/recovery; (4) financial exception, which formerly required Board approval, should be tied to market practices; and (5) because procurement must state maximum contract term, when

we expect to ask Board to approve term longer than 5 years, contract should indicate possibility of additional duration.

Documentation

Existing: Information on rationale and basis of contract price required for all procurements.

Revision: Limited to procurements using federal funds, but clarified to recognize that federal rules require not only rationale/basis of contract price, but may also require additional information.

Reason: Only the federal rules impose this requirement, so non-federal procurements were removed from its coverage.