

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

'An Act To Encourage the Purchase of Products Made in Maine and in the United States and To Give Preference to Maine Businesses When Awarding Contracts and To Establish the Procurement Review Board'

Amend the bill in section 1 in §1777 in subsection 4 in the 2nd line (page 1, line 33 in L.D.) by inserting after the following: "institutions" the following: 'and includes the University of Maine System, the Maine Community College System and the Maine Maritime Academy'

Amend the bill in section 1 in §1778 in subsection 5 in the 2nd line (page 3, line 15 in L.D.) by striking the following: "the State's" and inserting the following: 'applicable'

Amend the bill by inserting after section 1 the following:

'Sec. 2. 5 MRSA §1815 is amended to read:

§ 1815.Requisitions required

Except as otherwise provided in chapters 141 to 155 and the rules and regulations adopted hereunder, services, supplies, materials and equipment ~~shall~~must be purchased by or furnished to the State Government or any department or agency thereof only upon requisition to the State Purchasing Agent. A proposal, bid, contract renewal or amendment to, extension of or change to an existing contract valued at \$1,000,000 or more must go through the Procurement Review Board process pursuant to section 1815-A prior to issuance of a public request for proposals or bids by any department or agency. A proposal, bid, contract renewal or amendment to, extension of or change to an existing contract valued at less than \$1,000,000 must go through the Procurement Review Board process pursuant to section 1815-A if a majority of the voting members of the board vote to review the request. The State Purchasing Agent, or ~~his~~the agent's authorized representative, shall examine each requisition submitted to ~~him~~the agent by any department or agency of the State Government and may revise it as to quantity, quality or estimated cost after consultation with the department or agency concerned.

Sec. 3. 5 MRSA §1815-A is enacted to read:

§ 1815-A. Procurement Review Board

1. Board established. The Procurement Review Board, referred to in this section as "the board," is established pursuant to section 12004-G, subsection 29-E to carry out the duties of the board as provided in this section.

2. Membership; vacancy; compensation. The board consists of 7 members as follows:

A. Five members who have business or professional experience in the area of procurement, appointed by the Governor and subject to review by the joint standing committee of the Legislature having jurisdiction over state and local government matters and to confirmation by the Senate;

B. The Attorney General or the Attorney General's designee, who serves as a nonvoting member;
and

C. The Treasurer of State or the treasurer's designee, who serves as a nonvoting member.

A member of the Legislature may not be appointed to or serve on the board.

In the case of a vacancy, the Governor may nominate an individual to fill the vacant position. If the Governor does not nominate an individual to fill a vacant position on the board within 30 days of the vacancy, the President of the Senate and the Speaker of the House of Representatives shall jointly appoint an individual to fill the vacancy. A member appointed by the President of the Senate and the Speaker of the House of Representatives is not subject to confirmation by the Legislature.

Members described in paragraph A are entitled to reimbursement for direct expenses of attendance at meetings of the board.

3. Terms. Members of the board appointed by the Governor serve 4-year terms. Board members may serve 2 consecutive terms.

4. Chair. The board shall elect annually a chair from among its members to serve for one year.

5. Powers and duties. The board has the following powers and duties:

A. To review, comment on and approve all requests for proposals, bids, contract renewals and amendments to, extensions of and other changes to existing contracts for the procurement of supplies, professional or artistic services, construction and real property and capital improvement leases procured by the State valued at \$1,000,000 or more; and

B. To review, upon a majority vote of its voting members, requests for proposals, bids, contract renewals and amendments to, extensions of and other changes to an existing contract valued at less than \$1,000,000.

6. Staff support. Upon a majority vote of its voting members, and to the extent funds are available, the board may employ an executive director and staff support.

7. Meetings. The board shall meet at least twice each month. The board shall meet in person. Each meeting of the board must be open to the public. The board shall keep records and minutes of its activities under this section and meetings. These records and minutes must be made easily accessible to the public and be provided expeditiously upon request.

8. Interests of members. That a member of the board is employed by or holds an interest in an entity doing business with or attempting to do business with the State does not preclude the entity from doing business with or attempting to do business with the State.

9. Board approval required. State departments and agencies shall submit all requests for proposals, bids, contract renewals and amendments to, extensions of and other changes to existing contracts to the board. A proposal, bid, contract renewal or amendment to, extension of or other change to an existing contract valued at \$1,000,000 or more must be approved by the board before proceeding. If a proposal, bid, contract renewal or amendment to, extension of or other change to an existing contract is valued at less than \$1,000,000 and if the board takes no action to initiate a review within 30 days of receiving the proposal, bid, contract renewal or amendment to, extension of or other change to an existing contract, the affected department or agency may proceed with the proposal, bid, contract renewal or amendment to, extension of or other change to an existing contract without the review, comment or approval of the board. The State Purchasing Agent, any other position that is authorized to make procurements and each state department or agency shall cooperate with the board, provide information to the board and respond to the board in the board's reviews, studies and hearings.

10. Legal advice from Attorney General required for expenditures of \$3,000,000 or more. Prior to seeking approval from the board, state departments and agencies shall request and obtain legal advice from the Attorney General if an expenditure of \$3,000,000 or more is reasonably expected as a result of a request for proposals or bids or a contract renewal or amendment to, extension of or other change to an existing contract under this section.

11. Legal advice from Attorney General required in specific instances. The board shall request and obtain legal advice from the Attorney General on a proposed contract if the board determines:

- A. The contract may expose the State to substantial risk in the event of nonperformance; or
- B. The contract could reasonably be expected to incur costs to the State in excess of \$3,000,000 over the full term of the proposed contract, exclusive of extensions or amendments.

12. Conditions for board approval of a contract. The board shall approve the award of a contract pursuant to subsection 9 when the board determines:

- A. The service to be performed under the contract cannot be economically provided by State Government;
- B. The award of the contract is the most economical, effective and appropriate means of fulfilling a demonstrated need;
- C. The contract will not impair the ability of the department or agency to meet its statutory duties and responsibilities; and
- D. The contract does not diminish statewide or other budgetary cost-saving initiatives.

13. Sole source contract requirements. A sole source contract subject to the board's approval pursuant to subsection 9 may be approved when accompanied by written justification from the department or agency that demonstrates that:

- A. The contract is critical or essential to department or agency responsibilities or operations;

B. Sufficient staffing or expertise is not available from within the department or agency or through other governmental entities;

C. The supplies or services required are unique to the specific contractor; or

D. The services are of an urgent nature and only one known source can meet the department's or agency's needs within the required time frame and the department or agency has exercised due diligence and determined that the negotiated costs, fees or rates are fair and responsible.

14. Notification of legislative committees of jurisdiction. Within 3 months of determining that a contract has resulted in a cost overrun, each applicable state department and agency shall notify the board and applicable legislative committees of jurisdiction of the contract that resulted in the cost overrun and report the dollar amount that has exceeded the contract.

Sec. 4. 5 MRSA §12004-G, sub-§29-E is enacted to read:

29-E.

<u>Procurement</u>	<u>Procurement Review</u>	<u>Expenses Only</u>	<u>5 MRSA §1815-A</u>
<u>Review</u>	<u>Board</u>		

Sec. 5. Procurement Review Board; staggered terms. Notwithstanding the Maine Revised Statutes, Title 5, section 1815-A, subsection 3, of the initial members appointed to the Procurement Review Board, the Governor shall appoint 2 members for terms of 3 years, 2 members for terms of 2 years and one member for a term of one year.

Sec. 6. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Purchases - Division of 0007

Initiative: Provides funds for one Management Analyst II position and related costs.

GENERAL FUND	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$76,465
All Other	\$0	\$10,000
GENERAL FUND TOTAL	\$0	\$86,465

**ADMINISTRATIVE AND FINANCIAL SERVICES,
 DEPARTMENT OF**

DEPARTMENT TOTALS	2015-16	2016-17
GENERAL FUND	\$0	\$86,465
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$86,465

TRANSPORTATION, DEPARTMENT OF

Administration 0339

Initiative: Provides an allocation for 2 Procurement and Contract Specialist positions and related costs.

HIGHWAY FUND	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0.000	2.000
Personal Services	\$0	\$139,400
All Other	\$0	\$10,000
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HIGHWAY FUND TOTAL	\$0	\$149,400

TRANSPORTATION, DEPARTMENT OF

DEPARTMENT TOTALS	2015-16	2016-17
HIGHWAY FUND	\$0	\$149,400
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$149,400

TREASURER OF STATE, OFFICE OF

Administration - Treasury 0022

Initiative: Provides funding for one Public Service Coordinator I position and related costs.

GENERAL FUND	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	0.000	1.000
Personal Services	\$0	\$85,300
All Other	\$0	\$5,000
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GENERAL FUND TOTAL	\$0	\$90,300

TREASURER OF STATE, OFFICE OF

DEPARTMENT TOTALS	2015-16	2016-17
GENERAL FUND	\$0	\$90,300
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DEPARTMENT TOTAL - ALL FUNDS	\$0	\$90,300

SECTION TOTALS	2015-16	2016-17
GENERAL FUND	\$0	\$176,765
HIGHWAY FUND	\$0	\$149,400
SECTION TOTAL - ALL FUNDS	\$0	\$326,165

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment, which is the majority report of the committee, makes the following changes to the bill.

1. It changes the title of the bill.
2. It amends the bill to clarify that the law's application must be consistent with all applicable trade obligations and not only with the State's international trade obligations.
3. It amends the bill to include the University of Maine System, the Maine Community College System and the Maine Maritime Academy in the definition of "public agency."
4. It establishes the 7-member Procurement Review Board, which must review proposals, bids, contract renewals and amendments to, extensions of and changes to existing contracts valued over \$1,000,000 and, upon a majority vote of the board, may review proposals, bids, contract renewals and amendments to, extensions of and changes to existing contracts valued under \$1,000,000. The Attorney General and Treasurer of State serve as nonvoting members of the board.
5. It requires the Procurement Review Board to meet at least twice per month in person and make records and minutes of meetings accessible to the public.
6. It sets out requirements for sole source contracts under review by the board.
7. It requires each applicable state department and agency to notify the board and applicable legislative committee of jurisdiction within 3 months of determining that a contract has resulted in a cost overrun.
8. It adds an appropriations and allocations section.

FISCAL NOTE REQUIRED
 (See attached)