



Maine Connectivity Authority (“MCA”)

Financial and Procurement Policy

This MCA Procurement Policy is adopted pursuant to 5 MRS §12022 to ensure that all MCA activities and expenditures are limited to those necessary to accomplish the entity's mission and to carry out the entity's duties consistent with MCA's charter law at 35-A MRS Chapter 94-A, and to ensure that the MCA Board of Directors, management and staff comply with these financial policies and procedures and written policies and procedures governing the selection of vendors. This Policy is designed to ensure that MCA secures the best value in its procurements.

The purpose of this Financial and Procurement Policy (“Policy”) is to:

- ensure supplies, products and services are procured efficiently, effectively, and at competitive prices;
- ensure quality, experience and service are given appropriate consideration along with pricing;
- promote open and free competition in contracting, establishing competitive procurement as the standard procurement method except under the specific conditions that justify a waiver of competitive procurement set forth in this Policy;
- provide safeguards for maintaining a procurement system of quality and integrity; and
- ensure MCA purchasing actions comply with applicable Federal standards and regulations and State and local laws.

The Policy applies to MCA, its officers, directors, and staff in all MCA-related activities. The Chief Financial Officer of MCA (“CFO”), or whomever the Audit & Risk Committee of the Board of MCA authorizes in writing, shall serve as the Procurement Officer to administer MCA's procurement transactions. MCA will maintain documentation relative to procurements which include the description of and rationale for: the method of procurement, contractor or vendor selection or rejection, the basis for the contract or vendor price, and such other information as MCA determines appropriate. Such documentation shall be maintained for a minimum of five years.

For purposes of determining whether a MCA approval should be treated as a contract or a grant under this policy MCA will be guided by the federal Uniform Administrative Guidance (2 CFR § 200.1) definitions of “contract” and “grant and the related terms “contractors” and “subrecipients”, and shall refer to 2 CFR § 200.331, to differentiate between them. These provisions are consistent with the terminology used in Maine laws on procurement. This will assist MCA in determining if the characteristics of an agreement are deemed to be a contract with a contractor/vendor (and thus follow MCA's procurement process), or a grant to a subrecipient (and thus follow MCA's grant approval process).

Basic guidance is as follows:

- Grant to a Subrecipient: A legal instrument of financial assistance between MCA and a non-federal entity is a subaward for the purpose of carrying out part of a federal award to MCA or to the State of Maine, or a State of Maine grant assistance program. The subaward creates a federal or state assistance relationship between MCA and the subrecipient, enabling the subrecipient to receive the targeted assistance under the federal or state grant program. The principal purpose of the grant is to carry out the public purpose authorized by federal or state assistance programs, and not to acquire property or services for MCA's direct benefit or use.
 - See 2 CFR 200.1, 200.93 & .330 (a) of the Uniform Administrative Guidance
- Contract with a Contractor: A legal instrument between MCA and a non-federal entity to purchase goods or services for MCA's own use. The contract creates a procurement relationship between MCA and the contractor.

- See 2 CFR 200.1, 200.22 & .330 (b) of the Uniform Administrative Guidance

1) Procurement amount & executing contracts

The total purchase amount for an entire contract term will be utilized for purposes of establishing applicability of the procurement requirements described below. If a contract is not applicable, total projected purchases in the fiscal year will be used.

The President or CFO may authorize purchases under \$250,000, or execute contracts that obligate MCA to an amount under \$250,000 annually. All purchases (on an annual basis) above \$250,000 require Board approval, or the Executive Committee on behalf of the Board. The MCA may enter into State and local intergovernmental agreements for procurement or use of common goods and services.

2) Procurement process - by size of purchase

When acquiring supplies, products or services, MCA will obtain quotes based upon size of purchase. MCA may obtain these price quotations by telephone, email, fax, internet, verbally, as long as the information is documented in writing, or as otherwise allowed by State or local laws. MCA will make awards to the responsible firm whose proposal is most advantageous to the applicable program, with price and other factors considered if the award is based on factors in addition to price so long as it justifies its action in writing.

1. Procurement < \$10,000

For purchases below \$10,000, MCA may solicit one quotation if MCA considers the price received to be fair and reasonable.

2. Procurement > \$10,000 < \$50,000

For purchases from \$10,000 to \$50,000, MCA must obtain quotations or estimates from three qualified sources.

3. Procurement > \$50,000

For purchases above \$50,000, MCA will use requests for responses (RFR), requests for information (RFI) and/or requests for proposals (RFP) to identify all the evaluation factors and their relative importance. For the purposes of the Policy, all will be referred to as an RFP. MCA will identify criteria for evaluating proposals received and selecting awardees. MCA will make awards to the responsible firm whose proposal is most advantageous to the applicable program, with price and other factors considered and MCA negotiate price and services beyond the original submittal, or may reject the original proposal if an agreement cannot be reached and to the next highest bidder. MCA may reject any and all proposals.

3) Waiver to Procurement Policy - Single Source Contracts above \$10k

The Procurement Officer may seek an exception (waiver) to the processes set forth above. For purchases from \$10,000 to \$50,000, a waiver may be granted by the MCA President to proceed with a Single Source Contract up to \$50k. A waiver above \$50k will require Board or Executive Committee approval.

In order to qualify for an exception (waiver), one of the following conditions must exist:

- item or service is available only from a single source;
- benefits attained could not be replicated by another source; or
- public urgency or emergency exists, and the urgency will not permit delay beyond the time needed to employ competitive procurement.

Waiver approval by the Board will be captured and documented by a Secretary Certificate or CFO Certificate, and reported as required by Maine State Law.

4) RFPs

RFPs should be distributed on a public, available to all basis. If the nature of certain needs is sufficiently narrow or specialized, that there is evidence to suggest that only a limited number of qualified vendors exist, then a targeted, by-invitation RFP process is justified, to be distributed to at least three vendors. In such cases, MCA will document the justification for a limited-scope solicitation, citing to include the cost justifications and the approach to be used to identify qualified vendors. This written justification should be able to withstand challenge from a vendor not deemed to be qualified. RFPs distributed to the public will be noticed in a manner deemed appropriate in each circumstance and accessible on MCA's website for the length of the proposal submission period. RFPs targeted to a limited number of vendors need not be advertised or put on the MCA's website. The final decision from any review committee is public information.

The following documentation will be required for each purchase:

- Name and address of vendor(s) or contractor(s)
- Price, quantity, specifications of product or service, and quality of product(s)
- Criteria for Decision Making
- Reasons for Decision if for not using price as deciding factor in Competitive Proposals

The length of a contractual agreement to provide supplies, services or product generally should not exceed five years for services rendered. Prior to the end of the contract MCA should begin the process for replacing the contract according to the Policy.

5) Request of funds for expenditure approval

MCA has established approval limits by position for the request of funds to pay expenses in the course of normal business operations (excluding grant disbursements - see below). The intention of the limits is to provide appropriate authority to those MCA staff that have direct working knowledge of the specific activity.

Board of Directors	>\$250,000
President	\$250,000
CFO	\$250,000
Communications Director	\$100,000
Director of Broadband Impact	\$100,000
Strategic Partnership Director	\$100,000
Economic Development Director	\$100,000
Accounting, Compliance & Reporting Manager	\$25,000
Grants Manager	\$25,000
Operations Manager	\$25,000

The provision of expense approval under this policy does not supersede those authorities required for initiating competitive bid proceedings or executing contracts.

The provision of expense approval under this policy does not supersede the established check signatories as per Cash Management Policy, to provide final approval of disbursements.

6) Travel, Meals and Entertainment

MCA resources may be used to pay the costs of travel, meals and entertainment consistent with MCA consistent with the following policies and procedures:

- Travel, meal and entertainment costs are limited to those reasonable and necessary for accomplishing the entity's mission and activities;

- MCA shall reimburse officers and employees for expenses reasonably incurred as a result of traveling on MCA business consistent with the policies and procedures set forth in the Employee Handbook (including all costs associated with travel (e.g., mileage, tolls, parking, airfare, automobile rental, lodging, and meals) following submittal of an employee expense report with all proper documentation supporting such expenses and approval of such report by the responsible manager;
- MCA shall budget and account for travel, meal and entertainment costs separately from other expenditures in MCA's records;
- MCA's Board of Directors must approve the annual budget for travel, meal and entertainment costs and be provided periodic reports on actual costs paid directly or reimbursed.

7) Annual Report

MCA Board of Directors shall submit annual financial reports to the Legislature as required by 5 MRS §12023.

8) Credit cards

MCA issued credit cards may be used in accordance with the expense authorizations in this Policy. MCA's CFO will manage corporate credit cards, manage users, set card limits and approve new credit cards. With the exception of certain de-minimis expenses, such as parking or office supplies, prior authorizations should be obtained if the staff member is not authorized to approve expenses according to this Policy.

9) Grant Approval Process (GAP)

The MCA Board of Directors will approve a Grant Approval Process (GAP) for each MCA program. The GAP will include authorized levels of approval, and make clear distinction between approval level for MCA Staff Grant Committee, sub-committee(s) of the Board as appointed, and full Board of Directors. All grants approved internally by MCA staff and/or sub-committee(s) of the Board will be ratified by the Board of Directors at the next scheduled meeting.

The GAP will include:

- Link to the grant application information
- Information on scoring mechanism/matrix (if relevant)
- Program specific table of information reviewed

Any grantee seeking approval as an exception outside of the program designated GAP will need to be approved by the Board of Directors.

All grant approvals and/or ratifications by the Board will be captured and documented by a Secretary Certificate or CFO Certificate.

10) Grant disbursements

MCA has established approval limits by position for the authorization of sub-recipient grant disbursements. Payment request approvals can only occur after approval of the grant from the Board.

Grant approval by the Board will be captured and documented by a Secretary Certificate or CFO Certificate.

President	No Limit
Director of Broadband Impact	No Limit
Strategic Partnership Director	No Limit
Economic Development Director	No Limit
Grants Manager	\$250,000

11) Grant amendments

MCA has established approval limits for the approval of amendments to grant contracts, when applicable. All amendment requests must be accompanied by a progress report from the grant recipient.

Where relevant, amendment approval by the Board will be captured and documented by a Secretary Certificate or CFO Certificate.

Extension requests:

Board and/or Sub-Committee	>12 month extension
Staff Grant Committee	Up to a 12 month extension

Grant size amendment requests:

Board and/or Sub-Committee	>10% size adjustment
Staff Grant Committee	Up to a 10% size adjustment

All other grant amendment requests will be reviewed by the Board and/or Sub-Committee, as designated in the program specific Grant Approval Plan.

12) Execution of grant documents & other contracts

MCA has established approvals by position for the execution of contracts and execution of amendments to contract, when applicable.

As per expense authorization approval limits above, any contract over \$250,000 will have to be approved by the Board of Directors prior to contract execution. As per grant approval limits, all Grant Approval Plans will have to be approved by the Board of Directors, and then the specified approval process has to be completed prior to grant contract execution. Approval of a new grant is deemed as approval of the grant contract - subject to no material changes in terms (location, amount, timing).

Any required approval by the Board prior to the execution of a contract or a grant contract will be captured and documented by a Secretary Certificate or CFO Certificate.

President	No Limit
CFO	No Limit

13) NDAs

MCA has established approval protocols for entering into Non-Disclosure Agreements (NDAs), whereby only the President and CFO are authorized to sign on behalf of MCA.

14) Policy Governance

MCA Board of Directors authorizes MCA to make future edits to this policy upon review and approval by MCA's Audit & Risk Committee (or Executive Committee only when necessary for timeliness of action), to be ratified by the MCA Board of Directors at the next meeting.

The CFO will administer the Policy and ensure all MCA expenditures comply with the Policy. Working with the CFO, the MCA Audit & Risk Committee will review and approve the Policy.

The Audit & Risk Committee will also review and approve MCA's Cash Management Policy, established October 7th 2022.

The MCA Audit & Risk Committee will vote to approve the selection of MCA's independent auditor.

The CFO will ensure submission of all required reports to the Maine State Legislature.

ConnectMaine Authority (“CME”) - Procurement Policy

For purposes of CME activities and financial transactions, MCA is following the approved MCA Procurement Policy, as stated above.

CME Board of Directors authorizes MCA to make future edits to this policy upon review and approval by MCA's Audit & Risk Committee.

MCA Original Policy adopted 11.12.2021

MCA Revised Policy adopted by MCA Exec Committee on 10.07.22 (apart from sections 9-12 - to be further edited and presented to full board)

CME Policy adopted 10.14.22

MCA Revised Policy (in full) adopted by MCA Board of Directors 11.04.22