

State of Maine Procurement Justification Form

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services website (Forms page) for additional instructions.

PART I: OVERVIEW				
Department Office/Division/Program:		Maine Revenue Services		
Department Contract Administrator or Grant Coordinator:		Mark Nadeau		
(If applicable) Department Reference #:				
Amount: (Contract/Amendment/Grant)	\$ 70,000.00	Advantage CT / RQS #:		
CONTRACT	Proposed Start Date:	April 1, 2020	Proposed End Date:	March 31, 2022
AMENDMENT	Original Start Date:		Effective Date:	
	Previous End Date:		New End Date:	
GRANT	Project Start Date:		Grant Start Date:	
	Project End Date:		Grant End Date:	
Vendor/Provider/Grantee Name, City, State:		Niederman, Stanzel & Lindsey, PLLC 55 West Webster Street Manchester, NH 03104		
Brief Description of Goods/Services/Grant:		Legal representation in the courts of other states for the collection of overdue taxes.		

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Mark an "X" before the justification(s) that applies to this request. (Check all that apply.)			
	A. Competitive Process		G. Grant
	B. Amendment		H. State Statute/Agency Directed
	C. Single Source/Unique Vendor		I. Federal Agency Directed
	D. Proprietary/Copyright/Patents	X	J. Willing and Qualified
	E. Emergency	X	K. Client Choice
	F. University Cooperative Project	X	L. Other Authorization

PART III: SUPPLEMENTAL INFORMATION
Please respond to ALL of the following:
1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

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PART III: SUPPLEMENTAL INFORMATION

People and businesses located outside Maine's borders owe approximately \$17,250,000 in unpaid taxes. Since the State's administrative powers for the collection of taxes are limited to the territory within its borders, Maine Revenue Services (MRS) pursues such debts through the courts of the states in which those persons reside or where the businesses are located. Warrants and judgments are secured from Kennebec County Superior Court and sent to attorneys in the appropriate states for domestication and enforced collection. There is no alternate method for forcing involuntary payment of overdue taxes.

Title 36, the Maine statute that governs Maine State Taxes, charges the State Tax Assessor with the administration and collection of taxes imposed under that title.

2. Provide a brief justification for the selected vendor to supplement the response in Part II.

Neither Maine Revenue Services nor any other governmental agencies are available or authorized to collect Maine tax debts outside Maine's borders, making it necessary to retain attorneys in those states. Legal representation for Maine Revenue Services must be provided by attorneys authorized to practice law in those states.

The law firm has represented the State in collection cases in New Hampshire for approximately 22 years. They currently have 79 cases under negotiation, in litigation or being collected. The contract, the vendor and the methodology used by MRS have been approved by the Attorney General. Cases are sent throughout the period of the contract and require one or more years to resolve. The continuity of legal services in any given state has been maintained through sole-source contracting usually with the same law firm selected repeatedly. MRS requires representation in 20 different states which makes having more than one firm per state extremely burdensome if not totally unworkable. Also, there can be efficiencies in having one firm cover a Disclosure Hearing for more than one tax debtor.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

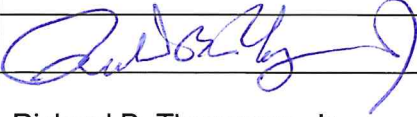

The Department has determined that the cost of these services is fair and reasonable. Through the bureau's investigation it was determined the average contingency fee of an attorney ranges from 33% to 40%. The costs specified in the contract are the standard amounts paid to all out-of-state collection attorneys under contract with the State of Maine.

If this contract is put out for competitive bidding with a subsequent change in law firms, the State must expect to pay Niederman, Stanzel & Lindsey, PLLC. for the withdrawal of cases at the rate of \$150.00 per billable hour. It is likely that the total will exceed \$94,800 for the current inventory. In addition to the costs for withdrawal, reassignment of cases will unnecessarily disrupt ongoing negotiations and litigation.

4. Describe the plan for future competition for the goods or services.

Cases placed for collection with attorneys in other states must be litigated by attorneys licensed to practice in those states. Since MRS currently pursues debtors in more than 20 states, it appears impractical to conduct competitive bidding in each state where a significant number of tax debtors reside. If circumstances related to these services should change, the department will obtain said services by the most appropriate means, including a competitive process such as releasing a RFP. Maine Revenue Services' continues to monitor the successfulness and case load with the above-mentioned law firm.

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PART IV: APPROVALS			
Signature of requesting Department's Commissioner (or designee):	<i>By signing below, I signify that I approve of this procurement request.</i>		
			
Printed Name:	Richard B. Thompson, Jr.	Date:	<i>2/19/20</i>
Signature of DAFS Procurement Official:	<small>DocuSigned by:</small> 		
Printed Name:	<small>AEED9C7B3A8044E...</small> Justin Franzose	Date:	2/24/2020