



DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
**DIVISION OF PROCUREMENT SERVICES**  
 STATE OF MAINE

## PROCUREMENT JUSTIFICATION FORM (PJF)

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 intranet site (Forms page) for additional instructions.*

PART I: OVERVIEW			
Department Office/Division/Program:		Department of Economic and Community Development	
Department Contract Administrator or Grant Coordinator:		Jeanne St. Pierre	
(If applicable) Department Reference #:		B.5.1. Forest Products ARP Funding	
Amount: (Contract/Amendment/Grant)	\$ 20,000,000.00	Advantage CT / RQS #:	CT19A20220228000000001976
CONTRACT	Proposed Start Date:		Proposed End Date:
AMENDMENT	Original Start Date:		Effective Date:
	Previous End Date:		New End Date:
GRANT	Project Start Date:		Grant Start Date: 2/28/2022
	Project End Date:		Grant End Date: 6/30/2023
Vendor/Provider/Grantee Name, City, State:		Maine Technology Institute, Brunswick, ME	
Brief Description of Goods/Services/Grant:		This is a subaward of Federal ARP funds to support the forest products industry as identified in 2021 PL.483 Part B.5.1.	

## PART II: JUSTIFICATION FOR VENDOR SELECTION

Check the box below for the justification(s) that applies to this request. (Check all that apply.)

<input type="checkbox"/>	A. Competitive Process	<input type="checkbox"/>	G. Grant
<input type="checkbox"/>	B. Amendment	<input type="checkbox"/>	H. State Statute/Agency Directed
<input type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input type="checkbox"/>	J. Willing and Qualified
<input checked="" type="checkbox"/>	E. Emergency	<input type="checkbox"/>	K. Client Choice
<input type="checkbox"/>	F. University Cooperative Project	<input type="checkbox"/>	L. Other Authorization

Please respond to ALL of the questions in the following sections.

### PART III: SUPPLEMENTAL INFORMATION

1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

The Department of Economic and Community Development was awarded ARP funding for economic recovery and development opportunities in the forest products industry to address reduced demand from the economic disruption of the COVID-19 pandemic and other industry effects.

2. Provide a brief justification for the selected vendor to supplement the response in Part II. Reference the RFP number, if applicable.

2021 PL.483 Part B.5.1. assigned funding to DECD, Office of Innovation which funds the Maine Technology Institute (MTI). Approved MJRP Business Case assigned funds to MTI to administer this program.

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

2021 PL.483 Part B.5.1. assigned \$10m in FY22 and FY23

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

N/A

### PART IV: AMERICAN RESCUE PLAN ACT (ARPA) / MAINE JOBS & RECOVERY PLAN (MJRP)

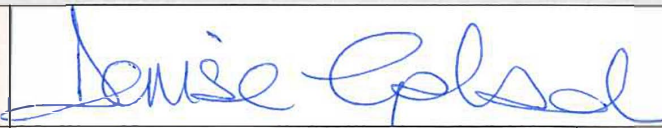

Does this request utilize ARPA/MJRP funds?

Yes – If Yes, please attach the approved Business Case(s).

No – If No, proceed to Part V.

### PART V: APPROVALS

The signatures below indicate approval of this procurement request.

Signature of requesting Department's Commissioner (or designee):			
Typed Name:	Denise Garland, Deputy Commissioner	Date:	2/18/2022
Signature of DAFS Procurement Official:	DocuSigned by: 		
Typed Name:	Jaime Schorr	Date:	3/24/2022

# Coronavirus State/Local Fiscal Recovery Fund

## Business Case Part 2

State of Maine Business Case – Department of Economic and Community Development

Proposal Title: Forest Product Recovery

Control Number: B.5.1

**OVERVIEW OF PROPOSAL:** Maine's Forest Products is seeking \$20,000,000.00 to assist in bolstering businesses that have been directly affected by the Covid-19 pandemic. This funding will introduce capital to forest products industry continuing to face market disruptions due to supply chain and workforce challenges brought about by the pandemic. Additionally, Maine Forest Products will administer grants to these businesses to address new needs that have occurred during the pandemic, including but not limited to public health response.

### 1. ELIGIBILITY DETERMINATION OF BUSINESS CASE PART 1:

#### a. Evaluation of Risk Associated with SFRF Eligibility Requirements:

##### Economic Impact Test:

#### a. *A negative impact or harmful consequences of the economic disruption resulting from or exacerbated by the COVID-19 public health emergency –*

**Satisfied**

Statistics on a decline for loggings contractors, the wood pulp industry, and the paper mill industry are included within the business case. Additionally, work force decline and supply chain disruptions are also noted within the business case. Specifically, Maine's professional logging contractors are reported a 30-40% decline in available markets for harvested wood. The wood pulp mill industry in the United States (NAICS 32211) faced a 10% decrease in revenues, a 9% drop in employment, and an 18.8% decline in wood pulp prices during 2020, with a marginal rebound in 2021. The paper mill industry in the US (NAICS 32212) has faced challenges and revenue declines in recent years with decreases in revenue at an annualized rate at 5.5%. Leading up to the pandemic revenues stabilized for 2018 and 2019 with around \$38.5B in revenue. Due to the drastic shift in paper usage during the COVID- 19 pandemic, 2020 saw an 11% decrease in revenues from 2018 and 2019 (approx. \$4.2Bn) and employment losses of near 4,400.

#### b. *The intended program, service, or other intervention would address and specifically responds to the harmful consequences –*

**Satisfied**

Investments will be made into industries who have suffered significant declines since the start of the pandemic such as the wood pulp mill and paper mill industries. Grants will also be given to businesses to address needs brought about by the pandemic. Deployment of these grant funds will go directly to implement Covid -19 prevention, such as cleaning efforts, physical plant changes, barriers/partitions, testing, etc.

#### c. *Expense incurred between March 1, 2021 and December 31, 2024 –* This requirement has been met.

Fiscal Year 22: \$10,000,000.00

Fiscal Year 23: \$10,000,000.00

**b. Conclusion of Business Case Part 1:**

State of Maine Business case Control# B.5.1 has met the requirements for eligibility as written. The applicant has demonstrated a need for funding due to an observable effect that the pandemic has had on forest product related businesses. US Treasury FAQ sections 2.10 asks, “(M)ay recipients use funds to assist impacted industries other than travel, tourism, and hospitality? Yes, provided that recipients consider the extent of the impact in such industries as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, nationwide the leisure and hospitality industry has experienced an approximately 17 percent decline in employment and 24 percent decline in revenue, onnet, due to the COVID-19 public health emergency. Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.” Additionally, Page 26792 of The Interim Final Rule under the section “Impacts on Businesses” states, “[t]he pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses makeup nearly half of the U.S. private-sector employment and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs. Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk. Sectors with a large share of small business employment have been among those with the most drastic drops in employment. The negative outlook for small businesses has continued: As of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operation.” This evaluation appears eligible on its face and is based on facts and data provided in the proposal and is subject to change if the terms of the proposal are substantively changed.

**c. Assumptions from Business Case Part 1:**

No assumptions were made in Business Case Part 1

**2. ELIGIBILITY DETERMINATION OF BUSINESS CASE PART 2:**

**a. Evaluation of Risk Associated with SFRF Eligibility Requirements:**

- i. Do Business Case Part 2 details impact eligibility determination from Business Case Part 1 Risk Assessment?**



1. **No –**

Conclusion: No impact to eligibility determination from Business Case Part 1. The only changes made from part one are the following: the “go-live” date for the application portal and for the last day of submissions. Awardees will be notified, and payments made possibly in January/February timeframe. Additionally, Maine Technology Institute (MTI) will contract with DECD for implementation of this program as well as staffing and temporary assistance to provide level one call support. State of Maine Business case Control# B.5.1 appears eligible on its face and has met the requirements for eligibility as written. This evaluation is based on the facts and data provided in the proposal and is subject to change if the terms of the proposal are substantively changed.

**b. Evaluation of Assumptions from Business Case Part 1:**

**i. Does Business Case Part 2 address the required information in the assumptions from the eligibility determination of Business Case Part 1?**

Conclusion: No assumptions were made in Business Case Part 1.

**3. REQUIRED PROGRAM MATERIALS**

**a. Does program require sub-recipient agreement? If so, what provisions are needed within the sub-recipient agreement?**

Yes, Maine Technology Institute (MTI) will contract with DECD for implementation of this program as well as staffing and temporary assistance to provide level one call support.

**4. TREASURY REPORTING REQUIREMENTS – Department will need to ensure program is set up to collect the required information below that will be reported within the SRFRF portal.**

**(NOTE: The data reporting requirements below are based on U.S. Treasury Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds) as of June 24, 2021 Version 1.1. and may be subject to change.)**

**a. Identify Treasury Expenditure Category : 2.12 Aid to Other Impacted Industries**

**b. Project Name – Forest Product Recovery**

**c. Project Number – B.5.1**

**d. Project Description –** The goal of the Forest Product Recovery Grant Program is to stabilize and aid in the recovery of Maine's \$8.5 billion forest economy that was severely impacted by the COVID-19 pandemic with pandemic-related market shifts as well as supply chain and workforce disruptions that still exist today. This program's investments in Maine's Forest Products sector will provide two key benefits to support the sector. The first benefit of the program is the injection of much needed capital, in the form of grants, to parts of the industry that faced and continue to face market disruptions, supply chain and workforce challenges because of the COVID-19 pandemic and related public health response. The second benefit is investments in the form of grants in Maine businesses to aid transitions to address new market demands that are a direct result of the COVID – 19 pandemic and related health response, sustainable products, and provide long term stability across the industry.



- e. Project Status** – The department will be responsible for updating the project status on a quarterly basis to one of the following options:
- i. Not Started
  - ii. Completed less than 50 percent
  - iii. Completed 50 percent or more
  - iv. Completed
- f.** Is the project targeted to economically disadvantage communities?
- i. No
- g. Programmatic Data** –
- Expenditure Category: 2.12 Aid to Other Impacted Industries
- If aid is provided to industries other than travel, tourism, and hospitality (EC 2.12), a description of pandemic impact on the industry and rationale for providing aid to the industry
  - Brief narrative description of how the assistance provided responds to negative economic impacts of the COVID-19 pandemic
- h. Civil Rights Compliance** - Treasury will request information on recipients' compliance with Title VI of the Civil Rights Act of 1964 on an annual basis. This information may include a narrative describing the recipient's compliance with Title VI, along with other questions and assurances.
- i. Subawards** – Each recipient shall also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than or equal to \$50,000.
- i. **Expenditure Categories 2.11 Aid to Tourism, Travel or Hospitality and 2.12 Aid to Other Impacted Industries** require additional Subaward information:
    1. For each subaward:
      - a. Sector of employer (*Note: Treasury to provide further guidance on sector categorization*)
      - b. Purpose of funds (e.g., payroll support, safety measure implementation)
- j.** Obligation and Expenditure Information to be collected throughout execution of Business Case
- i. Amounts of subawards greater than \$50,000 must be classified as a Contract, Grant, Loan, Transfer, or Direct Payment. Each amount for a Contract Grant, Loan, Transfer, or Direct Payment greater than \$50,000 must obtain the following information:
    1. **Subrecipient identifying and demographic information (e.g., DUNS number and location)**
      - a. DUNS Number (Must be registered with SAM.gov)
      - b. Identification Number (If DUNS is not available, the following information is required)
        - i. Legal Name
        - ii. Address Line 1
        - iii. Address Line 2
        - iv. Address Line 3
        - v. City Name
        - vi. State Code
        - vii. Zip+4



- viii. Country
- ix. Organization Type

**2. Contracts greater than \$50,000**

- a. Contractor Name
- b. Contract Number
- c. Contract Type
  - i. Purchase Order
  - ii. Delivery Order
  - iii. Blanket Purchase Agreement
  - iv. Definitive Contract
- d. Contract Amount
- e. Contract Date - The date that a mutually binding agreement was reached; the date signed by the prime or contractor, whichever is later.
- f. Period of Performance Start Date - The date on which efforts begin or the contract is otherwise effective.
- g. Period of Performance End Date - The date on which all effort is completed or the contract is otherwise ended.
- h. Primary Place of Performance Address Line 1
- i. Primary Place of Performance Address Line 2
- j. Primary Place of Performance Address Line 3
- k. Primary Place of Performance City Name
- l. Primary Place of Performance State Code
- m. Primary Place of Performance Zip+4
- n. Primary Place of Performance Country Name
- o. Contract Description - A brief description of the purpose of the contract
- p. Obligation Project
- q. Current Quarter Obligation - Amount obligated for this specific Project for this Contract within the Quarter. (This could go up or down.)
- r. Expenditure Project
- s. Expenditure Start Date
- t. Expenditure End Date
- u. Expenditure Amount
- v. Expenditure Category

**3. Grants greater than \$50,000**

- a. Awardee Name
- b. Award Number
- c. Award Payment Method
  - i. Lump Sum Payment
  - ii. Reimbursable
- d. Award Amount
- e. Award Date - The date that a mutually binding agreement was reached; the date signed by the prime or borrower, whichever is later.
- f. Period of Performance Start Date - The date on which efforts begin or the contract is otherwise effective.



- g.** Period of Performance End Date - The date on which all effort is completed or the contract is otherwise ended.
- h.** Primary Place of Performance Address Line 1
- i.** Primary Place of Performance Address Line 2
- j.** Primary Place of Performance Address Line 3
- k.** Primary Place of Performance City Name
- l.** Primary Place of Performance State Code
- m.** Primary Place of Performance Zip+4
- n.** Primary Place of Performance Country Name
- o.** Award Description – A brief description of the purpose of the contract
- p.** Is awardee complying with terms and conditions of the grant?
  - i.** Non-compliance explanation
- q.** Obligation Project
- r.** Current Quarter Obligation - Amount obligated for this specific Project for this Contract within the Quarter. (This could go up or down.)
- s.** Expenditure Project
- t.** Expenditure Start Date
- u.** Expenditure End Date
- v.** Expenditure Amount
- w.** Expenditure Category

**4. Loans greater than \$50,000**

- a.** Borrower Name
- b.** Loan Number
- c.** Loan Amount
- d.** Loan Date
- e.** Loan Expiration Date
- f.** Primary Place of Performance Address Line 1
- g.** Primary Place of Performance Address Line 2
- h.** Primary Place of Performance Address Line 3
- i.** Primary Place of Performance City Name
- j.** Primary Place of Performance State Code
- k.** Primary Place of Performance Zip+4
- l.** Primary Place of Performance Country Name
- m.** Loan Description
- n.** Obligation Project
- o.** Current Quarter Obligation - Amount obligated for this specific Project for this Contract within the Quarter. (This could go up or down.)
- p.** Payment Project
- q.** Payment Date
- r.** Payment Amount
- s.** Loan Category
- t.** Will these payments be repurposed for Future Use?
  - i.** Yes
  - ii.** No, Returning to Treasury

**5. Transfers greater than \$50,000**



- a. Transferee/Government Unit Name
  - b. Transfer Number
  - c. Transfer Type
    - i. Lump Sum Payment
    - ii. Reimbursable
  - d. Transfer Amount - Total amount transferred by the prime recipient to another government.
  - e. Transfer Date - The date that the prime recipient transfers funds to the transferee.
  - f. Purpose Description – Brief description of the purpose of the transfer
  - g. Obligation Project
  - h. Current Quarter Obligation - Amount obligated for this specific Project for this Contract within the Quarter. (This could go up or down.)
  - i. Expenditure Project
  - j. Expenditure Start Date
  - k. Expenditure End Date
  - l. Expenditure Amount
  - m. Expenditure Category
- 6. Direct Payment greater than \$50,000**
- a. Payee Name
  - b. Obligation Amount
  - c. Obligation Date
  - d. Obligation Project
  - e. Current Quarter Obligation - Amount obligated for this specific Project for this Contract within the Quarter. (This could go up or down.)
  - f. Expenditure Project
  - g. Expenditure Start Date
  - h. Expenditure End Date
  - i. Expenditure Amount
  - j. Expenditure Category
- 7. Aggregate Awards fewer than \$50,000** – Department will need to collect awards fewer than \$50,000 and aggregate them by Contracts, Grants, Loans, Transfers, Direct Payments as follows:
- a. Funding Type
  - b. Current Quarter Obligation - Sum of obligations within this Quarter for this funding type
  - c. Current Quarter Expenditure/Payments - Sum of Expenditures or Payments within this Quarter for this funding type
- 8. Aggregate Payments to Individuals fewer than \$50,000** – Department will need to collect payments fewer than \$50,000 and aggregate them as follows:
- a. Current Quarter Obligation - Sum of obligations within this Quarter for Direct Payments to Individuals
  - b. Current Quarter Expenditure - Sum of Expenditures within this Quarter for Direct Payments to Individuals