

## State of Maine Waiver of Competitive Bidding Request Form

**Form Instructions:** Please provide the requested information in the white boxes below. This form is to precede all contract requests that are not the direct result of a competitive bid process.

<b>Requesting Department's Contract Administrator:</b>	Labor Lisa Haskell	<b>Office/Division/Program of Contract Administrator:</b>	Employment Services
<b>Est. Contract Amount:</b>	\$ 30,000	<b>Contract or RQS Number:</b>	
<b>Proposed Start Date:</b>		<b>Proposed End Date:</b>	June 30, 2023
<b>Vendor/Provider Name, City, State:</b>		Union Insurance Group, Chicago, IL	
<b>Short Description of Good or Service:</b>		Provide Fidelity Bonds for high risk job candidates	
<p>Please note, for transparency purposes, Waivers of Competitive Bidding will be publicly posted. Public postings are placed on the Division of Procurement Services website for a period of seven consecutive calendar days.</p>		<p><b>To be completed by the Division of Procurement Services</b>  Posting dates on Division of <b>Procurement Services</b> website:  From: <u>10/26/2019</u> To: <u>11/1/2019</u></p>	
<b>Notice of Intent to Waive Competitive Bidding Number:</b>		NOI# 1020191778	
<p><b>1. Statutory Justification</b>  State of Maine statute (5 M.R.S. §1825-B(2)) allows waivers of competitive bidding only for the specific reasons listed below. Please mark the appropriate box (X) next to the justification which applies to this specific request.</p>			
<input type="checkbox"/>	A. The procurement of goods or services by the State for county commissioners pursuant to Title 30-A, section 124, involves the expenditure of \$2,500 or less, and the interests of the State would best be served;		
<input type="checkbox"/>	B. The Director of the Bureau of General Services is authorized by the Governor, or the Governor's designee, to make purchases without competitive bidding because, in the opinion of the Governor or the Governor's designee, an emergency exists that requires the immediate procurement of goods or services;		
<input type="checkbox"/>	<p><i>If citing the above justification for this Waiver of Competitive Bidding request, please have the requesting Department's Commissioner or Chief Executive (as the Governor's "designee") sign and date on the right.</i></p>	<p><i>By signing below, I signify as the Governor's designee there is an emergency that necessitates this non-competitive procurement.</i></p> <p><b>Signature:</b></p>	
<input type="checkbox"/>		<b>Printed Name:</b>	<b>Date:</b>
<input checked="" type="checkbox"/>	C. After reasonable investigation by the Director of the Bureau of General Services, it appears that any required unit or item of supply, or brand of that unit or item, is procurable by the State from only one source;		

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	D. It appears to be in the best interest of the State to negotiate for the procurement of petroleum products;
	E. The purchase is part of a cooperative project between the State and the University of Maine System, the Maine Community College System, the Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State involving: (1) An activity assisting a state agency and enhancing the ability of the university system, community college system, Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State to fulfill its mission of teaching, research, and public service; (2) A sharing of project responsibilities and, when appropriate, costs;
	<i>If citing the above justification for this sole source request, please note that the specific approval of the Governor's Office is required, in accordance with Executive Order 26 FY 11/12, "An Order to Enhance Competitive Bidding". The approval must be documented on DAFS/BGS/Division of Procurement Services "GOVCOOP" form, found here:  <a href="http://www.maine.gov/purchases/info/forms/govcoop.doc">http://www.maine.gov/purchases/info/forms/govcoop.doc</a>.</i>
	F. The procurement of goods or services involves expenditures of \$10,000 or less, in which case the Director of the Bureau of General Services may accept oral proposals or bids;
	G. The procurement of goods or services involves expenditures of \$10,000 or less, and procurement from a single source is the most economical, effective and appropriate means of fulfilling a demonstrated need.
	If a different authorization specifically allows for this non-competitive procurement, please provide that reference here:

**Please note that the following four points below (#2 through 5) all require a response.**

**2. Description of Specific Need**  
 Please identify, and fully describe, the specific problem, requirement, or need the resulting non-competitive contract would address and which makes the goods or services necessary. Explain how the requesting Department determined that the goods or services are critical and/or essential to agency responsibilities or operations.

The US Department of Labor (USDOL) created the Federal Bonding Program (FBP) in 1966. The FBP has been successfully providing fidelity bonds to employers through the work of State Workforce Agencies, giving them access to job seekers and opening doors of opportunity. States, including Maine, have a long history of securing no cost bonds for at risk job candidates through the FBP. The USDOL recently issued funds to states to promote the use of the FBP through the purchase of bonds to support hiring of high risk candidates with a history of incarceration and judicial system involvement. Maine is currently experiencing a labor shortage and employers desperate for worker are open to hiring high risk workers to help meet their workforce needs. The Departments mission is to help employers recruit, train and secure skilled workers. Bonding is an essential tool the department can deploy that will promote and incentivize employers to hire these high risk workers. Union Insurance Group vendor is needed for Maine to continue to provide fidelity bonds to employers without delay in order to carry out our responsibilities under USDOL funding agreement.

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**3. Availability of other Public Resources**

Please explain how the requesting Department concluded that sufficient staffing, resources, or expertise is not available within the State of Maine's government, or other governmental entities (local, other state, or federal agencies) external to the requesting Department, which would be able to address the identified need more efficiently and effectively than the identified vendor.

The USDOL is already under contract with this provider to provide fidelity bonds to employers. Union Insurance Group provides FBP management and oversight, under contract with the USDOL's Employment and Training Administration (ETA). Union Insurance Group (UIG) is a national insurance brokerage firm serving as the exclusive agent for Chubb Ltd. which issues Fidelity Bonds nationwide under the FBP. As a historical presumptive provider of fidelity bonds to the USDOL and states, the Department is not aware of sufficient staffing, resources, or expertise within state of Maine government or other government entities who may address the need more efficiently or effectively than Union Insurance Group.

**4. Cost**

Since a waiver of competitive bidding is being requested for this procurement, please explain how the requesting Department concluded the negotiated costs, fees, or rates are **fair and reasonable**.

Union Insurance Group provides FBP management and oversight, under contract with the USDOL's Employment and Training Administration (ETA). Union Insurance Group (UIG) is a national insurance brokerage firm serving as the exclusive agent for Chubb Ltd. which issues Fidelity Bonds nationwide under the FBP. Unlike other bonds options that vary in cost based on employer size, business type and product line, UIG fidelity bond through FBP offer a simple one size fits all employers, covers any job type or employee dishonesty committed on or off the worksite, requires no application for employers to complete or follow-up or required termination action. This vendor has customized the service process to reduce costs, fees, and rates that are fixed and require no unique employer application each time a bond is requested.

**5. Future Competition**

Please describe potential opportunities which may be available to foster competition for these goods or services in the future.

The Department will continue to coordinate with the USDOL on bonding services currently contracted to Union Insurance Group. If these services are no longer available or become costs prohibitive, we will seek to identify other opportunities through a competitive process.

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Please note that only one of the two points below (“Uniqueness” or “Timeframe”) requires a response. Requesting Departments are not required to respond to both points.

**6. Uniqueness**  
Please explain if the goods or services required are unique to a specific vendor. Describe the unique qualifications, abilities, and/or expertise of the vendor and how those particular unique factors address the specific need identified above. If the vendor has unique equipment, facilities, or proprietary data, also explain the necessity of these particular unique assets.

Union Insurance Group is the sole provider of fidelity bond services for the Federal Bonding Program supported by the USDOL. Unlike other bonds options from other vendors that vary in cost based on employer size, business type and business product line, UIG fidelity bond through FBP offer a simple one size fits all employer bond, covers any job type or employee dishonesty committed on or off the worksite, requires no application for employers to complete or follow-up or required termination action. This vendor, through previous negotiation with USDOL has customized the service process to reduce costs, fees, and rates that are fixed and require no unique employer application each time a bond is requested.

USDOL requires all states collect and input basic employer and employee data through the FBP website before issuing a bond under this grant. The data collection and reporting system is already available for use under the agreement between USDOL and UIG. Capitalizing on this pre-existing capacity will eliminate any redundancy in data collection and management and result in much more efficient access to these services.

**7. Timeframe (Complete only if B. is the Statutory Justification marked on Page 1)**  
Please explain if time is of the essence and an emergency exists which requires the immediate procurement of goods or services. Describe the nature of this emergency, provide the date by which the goods or services must be delivered, and explain how that date was determined and its significance (i.e. impact if delayed beyond this date). Also, provide information as to how it was determined this vendor is the best option to address this time-sensitive procurement.

<b>Signature of requesting Department’s Commissioner or Chief Executive (or designee within the Commissioner’s Office):</b>	<i>By signing below, I signify that my Department requests, and I approve of, this Waiver of Competitive Bidding.</i>
<b>Printed Name:</b>	 Kimberly Smith
<b>Date:</b>	10/22/2019