



PROCUREMENT JUSTIFICATION FORM (PJF)

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Office of State 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 Procurement Services intranet site (Forms page) for additional instructions.

PART I: OVERVIEW				
Department Office/Division/Program:		Public Utilities Commission / MUSF and MTEAF Fund Administration		
Department Contract Administrator or Grant Coordinator:		Amy Dumeny		
(If applicable) Department Reference #:				
Amount: (Contract/Amendment/Grant)		\$ 151,645 Non-State Funds	Advantage CT / RQS #:	20250130*1830
CONTRACT	Proposed Start Date:	7/1/2025	Proposed End Date:	6/30/2027
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:		Solix, Inc. 10 Lanidex Plaza West, Suite 300, Parsippany, NJ 07054		
Brief Description of Goods/Services/Grant:		Third party fund administration and quality fund information for the Maine Public Utilities Commission ("PUC") for the Maine Universal Service Fund ("MUSF") and Maine Telecommunications Education Access Fund ("MTEAF").		

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 checked="" type="checkbox"/>	H. State Statute/Agency Directed
<input checked="" type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input checked="" type="checkbox"/>	J. Willing and Qualified

<input 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.

35-A M.R.S. § 7104 gives the Commission the authority to implement an MUSF if, after assessing the needs of the State's telephone consumers, it determines that an MUSF is needed to ensure that provider of last resort service is available to consumers throughout all areas of Maine at reasonably comparable rates. If the commission establishes a state universal service fund pursuant to this section, the commission shall contract with an appropriate independent fiscal agent that is not a state entity to serve as administrator of the state universal service fund and funds contributed to a state universal service fund are not state funds.

To implement the statute, the Commission adopted Chapter 288, which established the MUSF and describes the operation of the Fund, including the types of entities that must contribute to the Fund, how the total amount of the required contributions is calculated, how the amount to be contributed by each required contributor is determined, and the timing of payments into and out of the Fund. The Rule also prescribes the requirements that a local exchange carrier (LEC) must meet in order to qualify for support from the MUSF. Support payments for the LECs became effective on June 1, 2003. In addition to support provided to LECs, the statute authorizing the MUSF provides that the Fund also be used to support the Communications Equipment Fund (CEF), the emergency alert telecommunications service, public-interest pay phones and the telecommunications relay service, which is used by deaf and hard of hearing individuals. The CEF and the emergency alert telecommunications service are both administered by the Division of Deaf, Hard of Hearing and Late Deafened within the Bureau of Rehabilitation Services. The maximum annual support amounts for the CEF, emergency alert service and public-interest pay phones are mandated in the statute, and the Commission must approve the amount of support needed to operate the telecommunications relay service and the public interest payphone program.

As required by the authorizing statute, Chapter 288 states that the Commission will select an independent third party to administer the MUSF. The Administrator oversees all operational and fiscal aspects of the MUSF. The MUSF Administrator must apply all provisions and requirements contained in Chapter 288 of the Commission's Rules. The recurring duties of the MUSF Administrator include, but are not limited to the following: 1) quarterly calculation of the total amount of money that the MUSF must collect, consisting of support payments for LECs, provision for the annual cost of support for the CEF, the emergency alert service, public interest payphones and the telecommunications relay service, administrative costs of the Fund and an allowance for uncollectibles from the telecommunications providers who must contribute to the MUSF; 2) calculation of the contribution amount that each telecommunications provider must pay into the MUSF, based on each carrier's proportional share of the total revenues derived from retail intrastate telecommunications services; 3) calculation of the Revenue Percentage, which is the rate that carriers may surcharge to their customers, if they choose to do so to recover their MUSF

PART III: SUPPLEMENTAL INFORMATION

contributions; 4) in coordination with the Commission, maintaining the list of telecommunications providers that are required to contribute to the MUSF and the list of LECs who are eligible to receive support payments from the Fund, as well as the amount of support that each LEC is entitled to receive; 5) receipt of quarterly reports of intrastate retail revenue amounts from telecommunications providers that must contribute to the MUSF; 6) on a quarterly basis, preparing and disseminating invoices to and receiving payments from telecommunications providers that must contribute to the Fund; 7) making required disbursements from the MUSF, either on a regularly scheduled basis or as authorized by the Commission or its representative, and 8) cash management of the fund, including appropriate short-term investments of excess cash balances. The Administrator also provides monthly reports to the Commission on the status and condition of the MUSF and recommends changes to the Fund's policies and procedures that require Commission action. The Administrator also will prepare specific supplemental reports as requested on occasion by the Commission.

Currently, approximately \$8 million annually is contributed into and disbursed from the Fund. Maine has 18 Incumbent Local Exchange Carriers that are potentially eligible to receive support from the MUSF, and as of December 31, 2016, 12 of those companies were receiving support. There are approximately 300 telecommunications providers currently registered with the Administrator that are potentially required to pay into the Fund and are required to report their numbers placed in service for the State's numbering plan area from the North American Numbering Plan Administrator. Those providers are reporting between 1.4 and 1.5 million telephone numbers monthly and contribute \$0.44 per working telephone number to the MUSF.

In addition, 35-A M.R.S. § 7104-B authorizes the Commission to implement the MTEAF in order to provide financial assistance to qualified schools and libraries for acquiring and using advanced telecommunications technologies, including Internet access, internal connections, computers, training and content. The statute establishes the guidelines that the Commission must follow in allocating money from the MTEAF, as well as the maximum rate, as set by the Commission, that customers may be charged for contributions to the MTEAF. To implement the statute, the Commission adopted Chapter 285, and the MTEAF became operational on July 1, 2001. While Section 7104-B does not require the use of a third-party administrator, it does mandate integration of the collection of the MTEAF with the MUSF, and the Commission has always employed a single Joint Administrator to administer both funds, which use the same per-line methodology to determine the amounts that carriers must contribute to each respective fund.

The duties of the MTEAF Administrator are similar to those of the MUSF Administrator, with some differences in the specific procedures involved. The MTEAF Administrator receives quarterly revenue reports, which are the same as the MUSF reports, and the associated automatic payments from contributing carriers (based on the contribution methodology at the MUSF but at a statutorily capped rate of \$0.21 per working telephone number), disburses funds to designated payees (predominately to Networkmaine as described below) at the direction of the Commission, manages the cash account for the Fund and keeps the books of account and prepares monthly reports concerning the MTEAF. The current contribution rate for the MTEAF is set at the statutory maximum allowable rate of \$0.21 per working telephone number as reported by telecommunications carriers. The Legislature may change the maximum contribution rate or it

PART III: SUPPLEMENTAL INFORMATION

could establish a maximum amount that the Fund may collect on an annual basis. Alternatively, the Commission could approve a reduction in the MTEAF contribution rate.

Networkmaine, an entity of the University of Maine System (UMS), oversees the Maine Schools and Libraries Network (MSLN), which carries out the mandates contained in 35-A M.R.S. §7104-B. Under current procedures, nearly all the operating expenses of the MSLN are paid by UMS, and UMS is reimbursed by a monthly payment from the MTEAF. UMS issues an invoice for the monthly expenses to be reimbursed and provides supporting documentation for all expenses. The Administrator also makes a small number of miscellaneous payments on behalf of the MSLN, but those have been minimal over the past couple of year. At the current collection rate and level of reported working telephone numbers, approximately \$3.7million is collected annually from carriers through the quarterly reporting process.

The Joint Administrator also receives payments into the MTEAF and the MUSF from the collection of the Prepaid Wireless Fee (PWF), which the Commission implemented effective January 1, 2013, pursuant to 35-A M.R.S. § 7104-C. Chapter 284 of the Commission's Rules establishes the parameters for the collection and remittance of the PWF by prepaid wireless service providers and retailers in Maine. The service providers and retailers remit the amount of the fee (currently \$1.00 per transaction) collected from retail transactions to the Maine Revenue Service (MRS). In turn, the MRS transfers to the Commission the full amount of the PWF remitted to the MRS by providers and retailers in the previous month. After a set percentage of the total amount remitted to the Commission is deposited into the E-911 fund administered by the ESCB, the Joint Administrator receives a single monthly wire transfer payment, which reflects the portion of the PWF that represents the amount of MUSF and MTEAF collected by providers and retailers, as established by Chapter 284. The Joint Administrator apportions the amount transferred from the Commission into the MUSF and the MTEAF, as directed by the Commission staff. Other than depositing the money into the MUSF and MTEAF respectively, the Joint Administrator has no other administrative responsibility for the Prepaid Wireless Fee.

The Joint Administrator is responsible for the maintenance of a cash management system for the MUSF and the MTEAF. The Administrator will maintain an electronic system for the receipts and disbursements of each fund, but with the understanding that, on rare occasions, electronic transactions may not be possible.

The contract will contain provisions allowing for a financial audit and a management audit of the MUSF and the MTEAF, at the discretion of the Commission. If the Commission determines that an audit of any of the Maine funds is necessary, the Joint Administrator must fully cooperate with the chosen auditor in the conduct of the audit. The Commission will select the auditor and will pay for the cost of the audit from the respective fund(s) for which the audit is undertaken.

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

The vendor was competitively selected by RFP #201703063 in the original contract for fund administration. The Commission was authorized by the State's Controllers office to procure services using an unencumbered contract as funds do not flow through the Commission's accounts. This

PART III: SUPPLEMENTAL INFORMATION

authorization was granted if the process continues to operate in the same manner which allows Solix to manage funds directly and report to the Commission.

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

The proposed negotiated rates are based on RFP #201703063 which the vendor held steady through an additional renewal period during the COVID pandemic. The current proposed costs are a 2% increase from the previous RFP with a proposed annual increase of 2% per year throughout the contract period. The proposed rates and increases appear to be fair and reasonable given the inflationary pressures the US economy has experienced since the RFP was completed.

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

An RFP may occur if more work is needed in subsequent years.

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

Does this request utilize ARPA/MJRP funds?

☐ Yes, MJRP funds (023) – If Yes, please attach the approved Business Case(s).

☐ Yes, ARPA funds (025) – If Yes, please be aware of the requirements from awarding federal agencies.

☒ No – If No, proceed to Part V.

PART V: CONFLICTS OF INTEREST (COI); CONTRACT WITH THE STATE

Maine law contains Conflict of Interest statutes directed to State Departments, State Officers, and Employees Generally under MRS [Title 5, §18](#) and [§18-A](#), in harmony with MRS [Title 17, §3104](#).

☒ The requesting department signatory understands and acknowledges Maine's Conflict of Interest statutes.

PART VI: APPROVALS

The signatures below indicate approval of this procurement request.

Signature of requesting
Department's Commissioner
(or designee):

Amy Dumeny

Typed Name:

Amy Dumeny

Date:

01/30/25

Signature of DAFS
Procurement Official:

DocuSigned by:
Kathy Paquette
41C2BA36FAF44CD...

Typed Name:

Kathy Paquette

Date:

2/5/2025

Solix - Procurement Justification Form (PJF)






1-29-25

Final Audit Report

2025-01-30

Created:	2025-01-30
By:	Lori Nolette (Lori.Nolette@maine.gov)
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