



The Commonwealth of Massachusetts
Office of the Inspector General

GREGORY W. SULLIVAN
INSPECTOR GENERAL

March 24, 2011

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Domenic Lanzillotti
Purchasing Officer
Town of Arlington
730 Massachusetts Avenue
Arlington, MA 02476

Dear Mr. Lanzillotti:

The Massachusetts Office of the Inspector General (OIG) requested to review the Town of Arlington's receipt of a \$159,700 Energy Efficiency and Conservation Block Grant (EECBG) from the U.S. Department of Energy (DOE) under the American Recovery and Reinvestment Act (ARRA). The OIG is reviewing ARRA-related grants to identify potential vulnerabilities to fraud, waste, and abuse and other risks that could negatively impact the accountability, transparency, and anti-fraud mandates contained in the statutory language and interpretive guidance of ARRA.

The Town intended to use \$155,950 in EECBG funds to replace the boiler at Arlington High School, and use \$3,750 to hire a consultant to develop an Energy Efficiency and Conservation Strategy for the Town. The OIG reviewed information regarding the Town's largest expenditure under the grant, the boiler replacement.

The OIG determined that the Town followed M.G.L. c.149 to procure the boiler and installation services and that ARRA funds have been spent as intended. The OIG is concerned that the Chapter 149 process only attracted one bidder and that the final project cost of \$246,430 exceeded the grant by more than \$90,000. Although the Town may choose the sole bidder for a contract, the Town must ensure that the procurement process generates enough competition to assure taxpayers that the best value has been achieved and that grant funds have been well spent.

We appreciate your cooperation in this review of ARRA funding. Please do not hesitate to contact us with any questions or concerns.

Sincerely,

Gregory W. Sullivan

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Inspector General