



GREGORY W. SULLIVAN
INSPECTOR GENERAL

The Commonwealth of Massachusetts
Office of the Inspector General

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March 29, 2011

Robert Pontbriand
Town Administrator
1 Main St
Ayer, MA 01432

Dear Mr. Pontbriand:

As you know, the Massachusetts Office of the Inspector General (OIG) requested to review the Town of Ayer's (Town) receipt of a \$150,000 Energy Efficiency and Conservation Block Grant (EECBG) from the Massachusetts Department of Energy Resources (DOER) 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. This review should not be construed as an investigation of the program or a comprehensive programmatic review. The OIG intends these reviews to assist recipients of ARRA funding identify and address risks.

During the summer of 2010, the Town provided the OIG with the status of its EECBG-funded project. At that time, the Town intended to use EECBG funds for an Energy Services Contract (ESCO). However, after consultation with DOER, the Town changed its original intention for the grant and initiated a procurement process for an energy conservation project at its wastewater treatment facility using M.G.L. c.30B – the Uniform Procurement Act. As of this time, this process is not yet complete. The OIG has therefore deferred its review of these funds. DOER has reminded the Town that all grant funds must be expended by June 30, 2011.

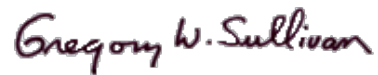
The OIG would like to take this opportunity to remind the City that under this grant it must continue to follow applicable procurement law. Additionally, the City must accurately report project information and status updates to appropriate authorities and must follow all applicable requirements of the ARRA legislation including, but not limited

to the use of prevailing wages and reporting to appropriate federal agencies. For additional information please consult the following resources:

- The Operational Services Division's ARRA Procurement Posting Policy FAQs (http://www.mass.gov/Eoaf/docs/osd/policy/arra_faq.doc)
- DOER's EECBG Compliance Guide (http://www.mass.gov/Eoeea/docs/doer/green_communities/grant_program/eecbg_webinar_050510.ppt)
- United States Department of Energy's EECBG Guidance Notices (http://www1.eere.energy.gov/wip/guidance.html#a_eecbg).

I appreciate your cooperation in this review of ARRA funding. Please do not hesitate to contact my office with any questions or concerns you may have regarding this review.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive, slightly slanted style.

Gregory W. Sullivan
Inspector General