



The Commonwealth of Massachusetts
Office of the Inspector General

GREGORY W. SULLIVAN
INSPECTOR GENERAL

May 2, 2011

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Mr. Richard W. Rege Jr.
Superintendent
Chicopee Public Schools
180 Broadway
Chicopee, MA 01020

Dear Superintendent Rege:

As you may know, the Massachusetts Office of the Inspector General (OIG) reviewed a portion of the Chicopee Public Schools' (CPS) Fiscal Year 2009 \$5,056,409 State Fiscal Stabilization Fund (SFSF) Grant from the Massachusetts Department of Elementary and Secondary Education (DESE). The American Recovery and Reinvestment Act (ARRA) funded this grant.

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. Our review of the provided documents should not be construed as an audit, investigation, or a comprehensive programmatic review. The OIG intends these reviews to assist recipients of ARRA funding identify and address risks.

The OIG review focused on the purchase of \$505,136 in contractual services and \$187,050 in supplies, for a total of \$692,186. CPS used statewide contracts managed by the Operational Services Division (OSD) - the state's purchasing agency - for the purchase of most of the supplies and services reviewed by the OIG. The OIG sampled ten of these statewide contract purchases for review and verified that CPS complied with the contracts' requirements.

In addition, the OIG verified that the statewide contracts used by CPS were open for use by municipal entities. Therefore, in this respect CPS was compliant with M.G.L. c. 30B (Chapter 30B), the state's Uniform Procurement Act. Local jurisdictions may purchase from OSD statewide contracts (SWC) per M.G.L. c.7, §22A and M.G.L. c.30B, §1(c). However, as written, SWCs do not afford all needed protections for a local jurisdiction. Therefore, the OIG recommends that a local jurisdiction using a SWC create its own form of contract for SWC purchases. The objective is to extend the benefits of the SWC to the local jurisdiction. The best way to guarantee this is to add

any relevant SWC terms into your own standard contract. This will help to ensure that the local jurisdiction has a contract that addresses its needs while achieving the benefits of the SWC.

To assist local jurisdictions, the OIG has worked with OSD to develop a model purchase order (PO) form that local jurisdictions may use as the basis of a contract. The form is available on our website at www.mass.gov/ig/igpubl.htm. This model PO includes SWC safeguards and provisions relating to record-keeping and retention, inspection of records, assignment, and indemnification. The SWC's scope of services and/or purchase terms and description cannot be altered. An alternative to a new contract or the model PO is the use of an enhanced purchase order that contains warranty information, a vendor signature line, and the statewide contract number. The OIG encourages CPS to utilize one of these types of contracts for future SWC purchases.

With respect to the statewide contracts used by CPS and reviewed by the OIG, the OIG further verified that:

- CPS purchased the goods and services specified in the contracts.
- Vendors charged and CPS paid the correct contract price.

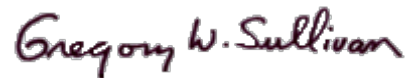
In addition to the purchases from statewide contracts, the OIG reviewed some CPS purchases which used the procurement method outlined in Chapter 30B. The OIG discovered a few Chapter 30B violations:

- CPS did not use the proper procurement method to obtain the services of its "Homeless Liaison," Cynthia Rodolakis. CPS apparently considered this service to be exempt from Chapter 30B. This service is not exempt. If Ms. Rodolakis is still under contract with CPS, then CPS must cancel this contract and re-procure the service under Chapter 30B.
- CPS purchased photocopy/printer paper from W.B. Mason using a City of Chicopee contract. This contract failed to specify the estimated quantity of paper to be purchased under the contract. While the OIG recognizes that this was not a contract procured by the school district, Chapter 30B section 12 (c)(1) nevertheless requires contracts to include "the amount of supplies or services required for the proposed contract period, and whether such amount is the actual amount required or an estimate." The OIG understands that the City of Chicopee's subsequent contract with W.B. Mason referenced quantities, as required by Chapter 30B. CPS should help ensure this requirement is followed in future procurements.

Additional information for future procurements can be found on the OIG website, including step-by-step procurement information available in the current OIG manual, *Municipal, County, District, and Local Authority Procurement of Supplies, Services, and Real Property* at <http://www.mass.gov/ig/igpubl.htm>. A revised version called "*The Chapter 30B Manual*" is soon to be released on the OIG website. Also, a free introductory online "Bidding Basics" training course can be found on the OIG website at http://www.mass.gov/ig/mcppo/bb_online.htm. This serves as a helpful refresher or introductory course on M.G.L. c. 30B.

I appreciate CPS's cooperation with this review. Please do not hesitate to contact the OIG with any questions or concerns you may have.

Sincerely,

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

Gregory Sullivan
Inspector General

cc: Mayor Michael D. Bissonnette
Purchasing Agent Brian Salamon
School Committee Vice Chairperson Marjorie Wojcik
DESE Director of Audit & Compliance David LeBlanc