June 2000

Procurement Bulletin

A publication of the Massachusetts Office of the Inspector General

Congratulations to New MCPPOs

Inspector General Robert A. Cerasoli extends his congratulations to the most recent recipients of Massachusetts Certified Public Purchasing Official designations based on applications reviewed between January 1, 2000 and May 1, 2000.

MCPPOs

Elizabeth J. Amicone, Town of Mansfield Carol L. Bower, Bridgewater-Raynham RSD Robert W. Brooks, Shawsheen Valley RSVD Joy E. Buhler, Wayland Public Schools Thomas M. Callahan, Hudson Public Schools Kevin R. Donovan, Town of Rockland **Donald D. Dunn**, Chicopee Housing Authority Alphonse Esposito, Jr., Oxford Public Schools Marie B. Ferrari, Somerville Public Schools James F. Foley, Lowell Housing Authority Monica C. Ford, City of Chelsea Jonathan C. Goldfield, City of Haverhill Alfred J. Grazioso, Jr., City of Quincy George C. Guasconi, Bridgewater-Raynham RSD Michelle A. Hunt, City of Pittsfield Bruce H. Kaiser, Old Colony RSVD Joan Lanzillo-Hahesv. City of Chelsea DPW Christine N. Lauersdorf, Wakefield Public Schools David G. Majenski, Abington Police Department Jeanne M. Martineau-Fernald, Town of Braintree Joyce M. Mason, Town of Mashpee James B. McGrath, City of Waltham Michael C. Morris, City of Brockton J. Douglas Murphy, COMM Fire District Kimberly A. Ouellette, Westport Community Schools Raeleen F. Parsons, Town of Bedford

Donald L. Poyant, Town of Chatham
Edward A. Sliney, Mansfield Fire Department
Wayne P. Southworth, Town of Easton
Michael J. Tarlow, Weymouth Public Schools
Jeanne M. Tedesco, Needham DPW
Thomas G. Thibeault, Brockton Housing Authority
Henry W. Van Laarhoven, GNBRRMD District
Joan White, Somerville Public Schools
Virginia L. Wilder, Town of Winthrop

MCPPOs for Supplies and Services Contracting

Carol Scott Dooling, TEC Collaborative

James R. Giebfried, Town of Norfolk

Angelo A. Napolitano, Malden Redevelopment Authority

Sheila D. Vanderhoef, Town of Eastham

MCPPOs for Design and Construction Contracting

William T. Nicholson, Mattapoisett Water & Sewer Dept

Associate MCPPO

Josephine A. Ruthwicz, Town of Wareham

Associate MCPPOs for Supplies and Services Contracting

Charles R. Chandler, Plymouth Police Department **Kirsteen M. Marques**, Blackstone Valley RSVD **Helen F. Ramirez**, City of Chelsea

In this issue...

- See page 2 for information about enterprise financial systems
- See page 3 for clarification on sole proprietors and prevailing wage rates
- See page 7 for new MCPPO course dates

Leonard E. Phillips, Town of Wellesley

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What Every Local Government Should Know About Enterprise Financial Systems

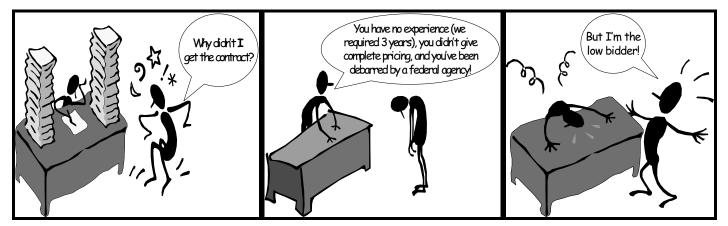
An enterprise financial system is a system of software applications that integrates many of the financial functions carried



out by an organization such as a local government. These functions may include accounting, budget preparahuman tion, sources, payroll, purchasing, fixed assets, inventory, and counts payable. Integrating or tying these functions together through common databases and reporting tools minimizes data entry, provides organization-wide access to shared information, and improves timely reporting. Many local governments are choosing integrated financial software systems to gain these efficiency advantages.

The procurement and implementation of an enterprise financial system is a complex process that requires both careful planning and technical expertise. The Government Finance Officers Association (GFOA) offers two publications— An Elected Official's Guide to Financial System Procurement and A Guide to Preparing an RFP for Enterprise Financial Systems— designed to assist local governments with this process. For information on these and other publications, contact GFOA's website at www.gfoa.org.

30Beans by Helen Flaherty, Esq.



Attention, State Employees!

If you work for a department that follows OSD's procurement regulations, you can earn a designation as a Massachusetts Certified State Purchasing Official (MCSPO). The Office of the Inspector General is currently offering a 4-day seminar that covers legal requirements and recommended practices for contracting for supplies, services, and construction. See page 7 for the dates and location of our State Contracting Overview seminar.

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Competition for Insurance and Insurance Consultant Services

While contracts for the procurement of insurance are exempt from M.G.L. c. 30B, many municipalities use a competitive solicitation process for procuring insurance and will vouch for the fact that competition results in real cost savings. Price competition gives underwriters incentives to lower prices, and it motivates brokers to make sure that they have complete information about your loss history and other factors that can really help lower your community's cost for insurance. Besides generating competition, investing the time and effort to prepare a solicitation will help your community to get better control of the risk factors that result in higher than necessary insurance costs.

Without a doubt the purchase of insurance is complex. Your community may decide to contract with a consultant for advice on risks and levels of insurance and for assistance in soliciting and evaluating competitive bids. The consultant contract must be procured in compliance with M.G.L. c. 30B. If you opt for insurance consultant services from someone other than a broker or agent, be aware that pursuant to M.G.L. c. 175, §177A, an insurance consultant providing advice, information, or recommendations

relating to examining, accepting, and/or procuring any insurance policy must be licensed as an "adviser" by the Commonwealth's Division of Insurance (DOI). According to DOI, insurance brokers and agents may advise without an adviser's license but they may not receive compensation for such consultant/adviser services.

We recommend that you do not rely on a person or firm with a financial interest in your contract for insurance as a source of advice or assistance with the procurement. For example, you should not permit a broker to prepare your solicitation and also submit an insurance bid. This could constitute a conflict of interest, and is fundamentally unfair to other competitors. In addition, an insurance consultant should have no business relationship or financial tie with a broker or agent that could affect his or her objectivity and impartiality. This Office recommends that municipalities avoid any potential conflict of interest by requiring disclosures and prohibiting agreements between the municipality's insurance consultant and any insurance broker or agent submitting a bid for insurance.

Sole Proprietor Clarification for Prevailing Wage Rates

This Office recently received a copy of a letter written by Benjamin Tymann, Program Manager for the Division of Occupational Safety. This letter clarifies the applicability of M.G.L. c. 149, §§26-27H ("the prevailing wage law") to work performed by owner-operators. The Division of Occupational Safety (DOS) is the agency charged with

administering the prevailing wage law.



According to DOS, legitimate owner-operators or independent contractors are not subject to the prevailing wage law, except those who are transporting gravel or fill to a public works site or removing it from such a site.

According to Mr. Tymann, the prevailing wage law

clearly addresses the activities within its scope in the context of the employment relationship. These activities include public works and public building construction, equipment rental, moving office furniture by the Commonwealth and its political subdivisions, and cleaning state office buildings. The prevailing wage law requires the prevailing wage schedule issued by DOS to be made a part of a contract for public works and public building construction to set the minimum rate or rates of wages for employees during the life of the contract. Under the law, payments must be made directly to each employee engaged in public construction.

Based on the plain language in the law, DOS concluded that the prevailing wage law does not apply to legitimate owner-operators and independent contractors, unless engaged in gravel or fill work.

If you need further information about the prevailing wage law and its requirements, please call the Division of Occupational Safety at (617) 727-3492.

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M.G.L. c. 30B Questions and Answers

I recently went out to bid for a pickup truck estimated to cost \$19,000 and did not receive any responses. Must I rebid this contract?

Yes. M.G.L. c. 30B does not contain a provision permitting an alternative method of procurement when you receive no response to your solicitation. However, you may be able to generate more interest in your solicitation by taking the following steps:

- Contact vendors who picked up an IFB but did not submit a bid, and ask why they did not bid. Your IFB may contain some requirement that is discouraging bidders. If this is the case, consider redrafting your IFB before you re-advertise.
- Advertise in other newspapers or publications. Keep in mind that you can advertise in more than one newspaper, or you can place one advertisement in a general circulation newspaper and one additional advertisement in a specialized newspaper, in a trade magazine, or on the Internet. You may also place an advertisement free of charge in the Good and Services Bulletin, which is published by the Secretary of State.
- In addition to advertising, you may mail a copy of your IFB to vendors who may be interested in responding.

Alternatively, you may want to check whether the supply or service is available through a statewide contract. Purchases made from statewide contracts, which are procured by the state's Operational Services Division, are exempt from M.G.L. c. 30B. You may contact the Operational Services Division at 617-720-3145 for more information about statewide contracts, or visit www.comm-pass.com.

Finally, remember that you may always issue an addendum to an existing IFB before your bid deadline. If your bid deadline is quickly approaching and you find that no one is responding to your IFB, you may issue an addendum to extend your bid deadline. Simply send the addendum to everyone who has picked up your IFB. This will give you the opportunity to contact vendors to ask whether they plan to respond and allow time to mail out IFBs to other potential bidders.

Are local cities and towns permitted to make use of contracts procured through the Massachusetts Higher Education Consortium (MHEC)?

The MHEC has informed this Office that local cities and towns may not purchase from MHEC contracts. Pursuant to MHEC's enabling legislation, it is MHEC's position that its contracts are only to be utilized by public and private higher education institutions.

Bidding for Better Results . . . A New MCPPO Seminar Coming This Fall

This advanced one-day seminar explores selected topics in bidding for supplies and services under M.G.L. c. 30B. Guided by expert discussion leaders, participants will learn to bid for better results by working through real-life examples, case studies, and practical exercises. This seminar qualifies for continuing education credits required to maintain an MCPPO designation.*

Watch our website at www.state.ma.us/ig for details on this seminar, including cost, locations, and schedule.

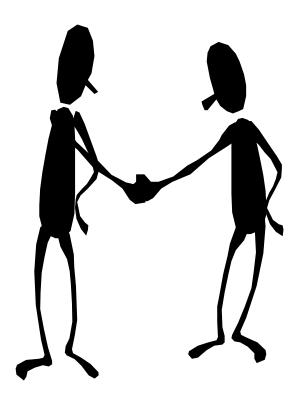
You may arrange to have this seminar conducted in your area by contacting Anne Tierney, Director of the MCPPO program, at (617) 523-1205. A minimum of 35 participants is required.

*Recommended prerequisite: The Supplies and Services Contracting seminar is highly recommended as a prerequisite for this workshop. Although others may attend, only participants who have successfully completed the Supplies and Services Contracting seminar will be awarded CPEs and CEUs. They will also be given preference for registration.

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LET OUR OFFICE COME TO YOU!

This Office will conduct one-day MCPPO seminars right in your own jurisdiction! You make the facility arrangements— we will send instructors. Just call Anne Tierney at (617) 523-1205 to schedule a seminar in your jurisdiction. A minimum of 35 attendees is required. You may coordinate a seminar with neighboring jurisdictions.



One-day seminars available by request:

Bidding Basics and Contract Administration

This four-hour seminar is packed with the basics you need to begin understanding public purchasing for local governmental bodies in Massachusetts. This course covers basic legal requirements for procuring contracts for supplies and services under M.G.L. c. 30B and recommended practices for contract administration. This course is ideal for anyone who would like to know more about local government purchasing but is not interested in obtaining MCPPO certification, or for anyone who would like to take an entry-level seminar before entering the MCPPO program. There is no examination. This seminar does **not** count as credit toward earning an MCPPO designation or as continuing education for maintaining an MCPPO designation. However, you may earn .4 CEUs and 4 CPE points for other designations you may hold.

Local Government Real Property Transactions Under M.G.L. c. 30B

This five-hour seminar covers the request for proposals process under M.G.L. c. 30B for the acquisition and disposition of land and buildings by local governmental bodies. This seminar includes hands-on exercises to help participants understand the step-by-step process involved in real property transactions. There is no examination. This seminar carries 5 hours of continuing education credit for maintaining an MCPPO designation. It also qualifies for .5 CEUs and 5 CPE points.

Cost: \$75 per person

Cost: \$40 per person

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Massachusetts Certified Public Purchasing Official Program Massachusetts Office of the Inspector General

P.O. Box 270
Boston, MA 02133
(617) 523-1205
(617) 727-9140

Who Should Attend

Local government officials and others interested in local government contracts for supplies, services, real property, and construction

Earn Professional Certification *

Courses Offered for 1999-2000

All seminars include comprehensive text materials and qualify for continuing education units (CEUs) and continuing professional education points (CPEs). Undergraduate and graduate college credit may also be earned through taking MCPPO seminars.

Public Contracting Overview

Tuition \$250

An overview of legal requirements and best practices for public contracting by local governmental bodies with hands-on workshops that apply contracting knowledge and skills to practical problems faced by the procurement official. A *prerequisite for Supplies and Services Contracting* and *Design and Construction Contracting*, this three-day seminar is invaluable both for experienced public officials and those who have recently entered the field or are working in a support capacity. This seminar concludes with a written examination.

Supplies and Services Contracting

Prerequisite: Public Contracting Overview

Tuition \$250

Comprehensive and challenging, this three-day seminar focuses on procurements under the Uniform Procurement Act, M.G.L. c. 30B. Presented in an easy to follow, hands-on workshop format, participants are guided through practical applications of this law. Participants will learn about writing effective specifications, obtaining best value using an invitation for bids, making the request for proposals process work, common bidding problems and how to resolve them, effective contract administration, and more. This seminar concludes with a written examination.

Design and Construction Contracting

Prerequisite: Public Contracting Overview or State Contracting Overview

Tuition \$350

This in-depth, three-day seminar is tailored to professionals facing the complex issues of today's contracts, focusing on design, public building construction, and public works construction. Participants will learn practical applications and effective strategies to guide them through procurement and administration of design and construction contracts. This seminar concludes with a written examination.

Local Government Real Property Transactions Under the Uniform Procurement Act Tuition \$75

This one-day seminar covers the request for proposals process under M.G.L. c. 30B for the acquisition and disposition of land and buildings by purchase and sale or lease by local governmental bodies. This seminar qualifies for five continuing education credits for MCPPO recertification.

*Purchasing officials who possess the requisite qualifications and experience are eligible to apply for an MCPPO designation upon the successful completion of *Public Contracting Overview* and either the *Supplies and Services Contracting or Design and Construction Contracting* seminar, or upon successful completion of *State Contracting Overview* and *Design and Construction Contracting*. Purchasing officials will be required to continue education in public procurement to maintain the MCPPO designation. For more information contact Anne Tierney, Director, or Genesi Dorsey, Coordinator, at (617) 523-1205.

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Commonwealth of Massachusetts Office of the Inspector General P.O. Box 270- State House Station Boston, MA 02133 (617) 727-9140

REGISTRATION: Registration and payment must be received 10 days prior to course date in order to process a confirmation.

OFF-SITE REGISTRATION AND PAY-

OFF-SITE REGISTRATION AND PAY-MENT MUST BE RECEIVED 30 DAYS PRIOR TO SEMINAR DATE IN ORDER FOR THIS OFFICE TO CONFIRM SEMI-

NAR. Off-site seminars will be confirmed based on a minimum of 50 registrants. In the event of cancellation of an OFF-SITE location, an alternate date will be offered. Confirmation letters, with directions, will be mailed 10 days prior to seminar. Terms and conditions are subject to change without notice.

FAX REGISTRATION & P.O. TO

RESERVE SEATING (617-723-2334)

MAIL ORIGINAL TO address above.

ATTN: MCPPO

MAKE CHECK PAYABLE TO: OIG

SUBSTITUTIONS/CANCELLATIONS:

Each seminar is limited and filled on a space available basis. No refunds for cancellations. Registration transfer to someone in your organization is possible with prior notice. The OIG reserves the right to cancel/reschedule any seminar and is not responsible for any costs incurred by registrants. Alternate course dates may be substituted in the event of an emergency, upon notification. Change in seminar date and/or cancellations received less than 2 business days prior to the seminar date are subject to a \$25 transfer fee — NO-SHOWS WILL BE INVOICED A \$50 SERVICE CHARGE.



The Massachusetts Office of the Inspector General has been reviewed and approved as an Authorized Provider of continuing education and training programs by the International Association for Continuing Education and Training. Authorized Provider #101811



Registered with the National Association of State Boards of Accountancy as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State Boards of Accountancy have final authority on the acceptance of individual courses. Complaints regarding sponsors may be addressed to NASBA, 150 Fourth Ave. North, Suite 700, Nashville, TN 37219-2417, (615) 880-4200. Membership #103866



Based on the 1995-1996 State Plan for Professional Development.



The American Council on Education's College Credit Recommendation Program.

FOR MORE INFORMATION: Please contact Program Director Anne Tierney, or Program Coordinator Genesi Dorsey at (617) 523-1205.

THIS FORM MAY BE DUPLICATED PAYMENT:

☐ CHECK/M.O.
☐ PURCHASE ORDER #

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Massachusetts Certified Public Purchasing Official Program Registration 2000

Design and Construction Contracting EARN 20 CPE and 2 CEU CREDITS QUALIFY FOR 20 PDPs seminars conducted after July 2000 SELECT 1st AND 2nd CHOICE JULY 17-19 BOSTON (Tuition \$200) JULY 17-19 BOSTON (Tuition \$250) JULY 17-19 BOSTON (Tuition \$200) JULY 17-19 BOSTON (Tuition \$300) JULY 17-19 BOSTON (Tuition \$300) JULY 17-19 BOSTON (Tuition \$300) JULY 17-19 BOSTON JULY 17-19	PUBLIC CONTRACTION (prerequisite for Supplemental Contraction)	olies and Services Co	ontractingand		3-day seminar
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NAME:		PHONE:		
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ORGANIZATION/JURISDICTION:				
TITLE:		FAX:		
ADDRESS:				
CITY:	_ STATE:	_ ZIP CODE:		
HOW LONG HAVE YOU BEEN EMPLOYED AS A PURCHASING OFFICIAL?				

Commonwealth of Massachusetts Office of the Inspector General One Ashburton Place, Room 1311 Boston, MA 02108