



The Commonwealth of Massachusetts  
Office of the Inspector General

GREGORY W. SULLIVAN  
INSPECTOR GENERAL

JOHN W. MCCORMACK  
STATE OFFICE BUILDING  
ONE ASHBURTON PLACE  
ROOM 1311  
BOSTON, MA 02108  
TEL: (617) 727-9140  
FAX: (617) 723-2334

December 2, 2008

The Honorable Stanley C. Rosenberg, Chair  
Special Commission on Municipal Relief  
State House, Room 320  
Boston, MA 02133

The Honorable Paul J. Donato, Chair  
Special Commission on Municipal Relief  
State House, Room 185  
Boston, MA 02133

Dear Chairman Rosenberg and Chairman Donato:

Thank you for the opportunity to offer testimony to the Special Commission on Municipal Relief. In these tough economic times it is important to give municipalities the tools they need to help cope with the challenges they face. It is just as important to make sure the proper safeguards are in place to protect the taxpayers' interest. This Commission has the ability to do just that.

One cost-saving idea to assist municipalities is for the state to develop an energy education program. Currently numerous cities and towns hire consultants to educate them on the best ways to cut energy costs. I believe the state could perform a similar function at a much lower cost. Also in the area of energy costs, Senate bill 2469, An Act Regulating Public Entities Licensed by the Department of Telecommunications and Energy, would provide an innovation in the way governmental bodies band together to provide energy. It would allow certain competitively sensitive or proprietary information used in the procurement and supply of energy services to remain confidential and exempt from the public records law in instances where its disclosure would adversely affect the ability of the governmental body to conduct business. Essentially this bill would provide governmental groups the ability to better manage the way energy is delivered and the rates that are paid. The law would apply to governmental bodies licensed as energy suppliers, municipal aggregators and governmental cooperatives. My Office would have the ability to review any of the information in these situations, thereby protecting the public interest.

Greater collaboration among groups for bulk purchasing efforts must also be allowed. House bill 4810, An Act Relative to Out-of-State Collective Purchasing by Massachusetts Educational Collaboratives Formed Pursuant to M.G.L. C.40, Section 4E is one such example. The bill would allow educational collaboratives to purchase from an out-of-state contract competitively procured by another public entity. This pilot program would last for a period of two years and be monitored by the Inspector General's Office to assure the proper safeguards are in place and evaluate its benefits.

Changes to the Uniform Procurement Act, Chapter 30B, can also be made to ease the burden on cities and towns. My Office has filed a bill for next session which includes more flexibility in procurement practices. The proposal contains a cost-savings alternative to advertising in newspapers, a definition of sound business practices and authority to purchase from the Government Services Administration supply schedule. Additionally, a bill to amend the Public Construction statute to allow for the use of sound business practices for public construction contracts under \$5,000 has been filed by my Office. These two bills will give municipalities the opportunity to save substantial money in procurement costs.

I suggest that the Special Commission request the Health Care Quality and Cost Council provide the Commission with the mean payment price for the top 50 procedures for both the Group Insurance Commission and municipalities. This data could be used to show the cost comparison and potential savings municipalities could realize by joining the Group Insurance Commission.

Cities and towns should be allowed to direct the excess profits from developments created under Chapter 40B to education, public safety and infrastructure if a direct impact can be shown. Currently, excess profits can only be used for affordable housing. This would give municipalities the ability to offset some of the impact of large developments on municipal services.

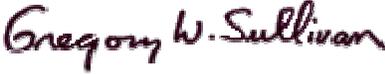
The Special Commission should also consider reimbursing parents who arrange for private transportation of special needs students. The transportation reimbursement would have to fall within certain allowable criteria. By allowing parents to receive a reimbursement for their children's transportation, substantial transportation costs could be saved by the cities and towns. Also, a commission to study special education vendor rates should be established to assure that rates being paid for services are reasonable and universal.

Lastly, I would like to encourage the Special Commission to look into ongoing innovations at the School Building Authority resulting in the Model School Program. By replicating designs that have already been proven effective in other districts, this program has the ability to save municipalities millions of dollars. Modifications can be made to designs that have already proved effective at a much reduced cost compared to designing a school from scratch.

For those ideas that have already been drafted as legislation, the text is

included with this letter. If you have questions on the issues I have mentioned, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Gregory W. Sullivan". The signature is written in a cursive style with a prominent initial 'G'.

Gregory W. Sullivan  
Inspector General