

The Commonwealth of Massachusetts

Office of the Inspector General

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June 8, 2011

The Honorable Kenneth J. Donnelly, Chair Committee on State Administration and Regulatory Oversight State House, Room 413A Boston, MA 02133

The Honorable Peter V. Kocot, Chair Committee on State Administration and Regulatory Oversight State House, Room 22 Boston, MA 02133

Dear Chairman Donnelly and Chairman Kocot:

I write to you today to strongly oppose Senate bill 1609, An Act Authorizing Governmental Bodies to Enter into Contracts for the Inspection, Maintenance, Repair or Modification of Water Storage Facilities. This bill is a modified version of Senate bill 2135 from last session, which was vetoed. My Office has serious concerns about the negative effect this bill will have on public procurement safeguards that currently exist in regards to water tanks.

Much of what is proposed in the bill can be accomplished using Section 6 of Chapter 30B of the Massachusetts General Laws. Under Section 6 of Chapter 30B an award is made to the most advantageous proposal considering both price and non-price factors. This process addresses most of the issues that the bill attempts to deal with.

The contract term up to 30 years, contemplated in the bill, is too long. The public interest is best served by regularly bidding contracts to ascertain the bet prices based on current market circumstances. Also, the authority to extend the contract based on terms that are "similar" but different from the original bid process is not only prejudicial to competition but, most importantly, would make such a contract vulnerable to abuse.

In conclusion, I remain unconvinced of the need for this legislation and convinced that the procurement process outlined for long term maintenance of water storage facilities is ill advised. If you have questions, please feel free to contact me.

Sincerely,

Gregory W. Sullivan

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Inspector General