



The Commonwealth of Massachusetts
Office of the Inspector General

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INSPECTOR GENERAL

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June 2, 2006

Dana Keenan
Town Administrator
Town of Webster
350 Main Street
Webster, Massachusetts 01570

Dear Mr. Keenan:

This office received a complaint about the Town of Webster's contract for the design of non-building public works projects with Camp Dresser and McKee, Inc. This letter serves as the conclusion of our review including procurement recommendations.

The town is using a contract with Camp Dresser and McKee that has been in effect since 1994. This is a so-called master contract for design services for non-building public works projects, is open-ended, and lacks an end date. Therefore, since 1994, the town simply issued task orders to Camp Dresser and McKee for a variety of different engineering services. Camp Dresser and McKee is reimbursed for its labor and overhead costs as determined by Camp Dresser and McKee plus a profit markup. According to the contract, the town receives no special rates, no discounts, and no other special considerations.

Although contracts for the design of non-building public works projects do not have to be bid under the law, this office has consistently recommended the use of sound business practice where the law does not dictate a specific procurement process. The towns' by-laws also speak to the use of sound business practices. Perpetuating a lucrative contract such as this without competition for the price for services is irresponsible.

Sound business practices include ensuring that a reasonable price is obtained for a reasonable level of service. This office recommends that the town invoke a competition for these services and ensure that this and every contract awarded by the town include an end date and is entered into pursuant to best practices.

Mr. Keenan
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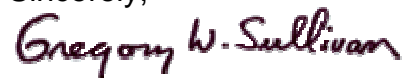
Relying on the same contractor for more than 10 years impairs the towns' ability to evaluate the quality of the contractor's work in comparison to other contractors. Also, the contractor has little incentive to keep its fees within a competitive range.

Periodically, the town should solicit price lists or quotations to ensure the town is receiving favorable prices. The town will never be sure it is receiving the best services at the best price without a competitive process. The town should use and codify sound business practices in its procurement regulations. In addition, the town should examine adopting M.G.L. c.41, §103 as it has already adopted other sections of M.G.L. c.41 and has incorporated language from M.G.L. c.41, §103 in the town by-laws.

The Office of the Inspector General recommends that the town expeditiously advertise a new contract for design services for non-building public works projects and write a contract for these types of engineering services. The contractors' responsibilities, the maximum contract value, an estimate of required work hours, and the fee structure should be clearly spelled out in the contract.

If you have any questions or are in need of assistance, please feel free contact Katherine Rudeen, Analyst at 617-727-9140 x 28812.

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