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# PROCUREMENT BULLETIN

Volume 5, No. 3

A Publication of the Office of the Inspector General

September 1999

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## Helpful Information Technology

### Procurement Websites

The amount of information available on the internet about information technology (IT) procurement can be overwhelming. We found a few websites that may be worth checking out. Below is a list of those sites, along with a brief synopsis of what each site has to offer.

1. *Building the 21st Century School* at [www.ncsa.uiuc.edu/idt/index.html](http://www.ncsa.uiuc.edu/idt/index.html). This website, sponsored by the University of Illinois at Urbana-Champaign, contains helpful flowcharts on planning for IT procurements. From the above URL address, select "The Planning Process." This will bring you to a step-by-step guide to planning for and procuring IT components. Although the information is focused on school procurements, it may be useful for any other governmental body undertaking an IT procurement.

2. *Civic.com* at [www.civic.com](http://www.civic.com). This website, which is in a magazine format, contains articles for state and local government IT professionals.

3. *United States Office of Information Technology* at [www.itpolicy.gsa.gov](http://www.itpolicy.gsa.gov). This site contains several documents pertaining to both IT procurement and other procurement issues. We recommend reading the document titled *A Guide to Best Practices for Performance-Based Service Contracts*. It contains excellent information about writing specifications, quality assurance, and contract administration.

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## Congratulations to New MCPPOs!

The Inspector General has awarded the third round of public purchasing officials a Massachusetts Certified Public Purchasing Official (MCPPO) designation. The MCPPO program promotes:

- ♦ cost-effective, ethical, and modern purchasing practices;
- ♦ exchanges of ideas and best practices;
- ♦ stewardship of public resources; and
- ♦ compliance with Massachusetts contracting laws and regulations.

These MCPPO designations were awarded based on professional experience and successful completion of MCPPO seminars. For details on the designation requirements, call us at (617) 523-1205 or visit our website at [www.state.ma.us/ig](http://www.state.ma.us/ig).

### And Here They Are!

Listed below are the most recent recipients of MCPPO designations based on applications awarded between June 1, 1999 and July 19, 1999:

#### **MCPPOs**

**Carol Antonelli**, Somerville DPW  
**David C. Buck**, Massachusetts Water Resources Authority  
**Dean A. Charter**, Town of Acton  
**Paul Connolly**, Somerville Office of Housing and Community Development  
**Sally P. Douglas**, Pittsfield Public Schools

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## New MCPPOs, continued

**Mark S. Ells**, Town of Barnstable  
**Carolyn Murray Hebert**, Town of Braintree  
**Frank L. Hinds**, Brockton Housing Authority  
**William S. Hurst**, Hull Public Schools  
**Richard H. Kennedy**, Holyoke Housing Authority  
**David H. Kimball**, Brockton Public Schools  
**David R. Lee**, Town of Reading  
**Thomas P. Morgan**, Massachusetts Port Authority  
**Louis E. Rodrigues**, Fairhaven Public Schools  
**Marcia F. Rolli**, Town of Saugus  
**Stephen C. Smith**, City of Newton  
**Donald H. St. Georges**, Town of East Longmeadow

### Associate MCPPO

**Dorothy J. Baxter**, Boston Housing Authority

### MCPPOs for Supplies and Services Procurement

**Francis J. Hart**, Burlington Police Department  
**Judith A. Killinger**, Rockland Public Schools  
**Anne M. Moran**, Hampshire County Courthouse  
**Lester Towlson**, Winthrop School Department

### Associate MCPPO for Supplies and Services Procurement

**Joan M. Downs**, Town of Buzzards Bay Water District

### MCPPO for Design and Construction Contracting

**Cynthia A. Blondin**, Worcester Redevelopment Authority

### Associate MCPPO for Design and Construction Contracting

**Judith M. Marte**, Lawrence Public Schools

## Practical Tip for Writing Specifications...

When soliciting bids for multiple items, your specifications should include a **specific** rule for award that informs bidders whether you plan to award one contract or multiple contracts.

Bid specifications should never include vague language such as the following: "The Town may award one or more contracts, whichever is in the best interest of the Town." Vague rules for award such as these leave you vulnerable to bid protests, especially if there are different low bidders on the individual items versus the total for all items.

Always identify a specific rule for award which identifies only one low bidder for any given contract. For example, you may choose to include a rule that states: "The Town will award one contract to the bidder offering the lowest total price for all items listed in this IFB." Alternatively, you may choose to include a rule that states: "The Town will award multiple contracts, one contract to lowest bidder for each item listed in the IFB."

## Helpful Information Technology Procurement Websites, continued

4. *Center for Technology in Government* at [www.ctg.albany.edu](http://www.ctg.albany.edu). This website has several publications, which you can download, pertaining to IT purchasing.

5. *The Executive Office of Administration and Finance Information Technology Bulletin* at [www.magnet.state.ma.us/itd/bulletin](http://www.magnet.state.ma.us/itd/bulletin). This website, which is produced by the state's Information Technology Division, deals not only with procurement-related issues but also contains other useful articles, especially pertaining to Y2K issues.

## Practical Tip for the RFP Process...

In a request for proposals process, you receive separate, sealed price and non-price proposals from vendors. Chapter 30B requires you to open the price proposals so as to avoid disclosure to the individuals evaluating the non-price proposals.

At the time of the non-price proposal opening, the CPO may want to consider delegating the authority to open the proposals to someone who is not on the evaluation team. In this manner, if one of the proposers has mistakenly included its price, this information can be excised before the proposal is given to the evaluation team. The CPO may delegate the authority to open proposals for specific procurements or for all procurements.

### Highlights of MCPPO Energy Procurement Seminar

The MCPPO program currently sponsors a seminar delivered by the Division of Energy Resources (DOER) entitled, *An Overview of Electric Utility Restructuring & Public Power Procurement*. This seminar provides information about electric industry restructuring, understanding your electric bill, new options for local governments and evaluating electricity options.

In this seminar, DOER staff:

- ◆ describe the players in the electric industry, such as independent systems operators and local distribution companies;
- ◆ explain municipal aggregation options and the advantages and disadvantages of municipal aggregation;
- ◆ describe the difference between standard offer service and default service; and,
- ◆ compare current electric supply options, such as Health and Educational Facilities Authority (HEFA), Massachusetts Municipal Association (MMA) and standard offer.

For seminar dates, please see page seven of this newsletter.

## Change to Tax Compliance Certificate Requirement

A recent change in M.G.L. c. 62C, §49A, requires vendors to certify that they have complied with all laws relating to employee wage reporting and child support payment withholding, in addition to tax laws. The applicable provision of the law now reads:

“No contract or other agreement for the purposes of providing goods, services or real estate space to any... [subdivision of the commonwealth, including a city, town or district] shall be entered into, renewed or extended with any person unless such person certifies in writing, under penalties of perjury, that he has complied with all laws of the commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.”

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### Chapter 30B and Construction Bid Law Reform Legislation Update

The reporting time has been extended for both House Bill 83 and House Bill 84 until September 30, 1999. House Bill 83, if passed, would increase the current dollar thresholds for procurements made under M.G.L. c. 30B. House Bill 84, if passed, will reform the public construction laws by raising dollar thresholds for bidding requirements, strengthening the contractor prequalification system, introducing value engineering to save money on larger projects, and establishing training standards for public officials responsible for contract oversight. Both bills were heard on May 19, 1999 by the Joint Committee on State Administration. We will keep you updated of any change in the status of these bills.

Please consider voicing your support for these bills by calling your State Representative and Senator. The number to connect to your State Representative is (617) 722-2000. The number for the Senate Clerk's Office, where you may obtain your State Senator's number, is (617) 722-1276.

## New Financial Reporting Models for Local Governments

In June 1999, the Governmental Accounting Standards Board (GASB), an independent organization that develops financial reporting standards for state and local governments, released a revised model for annual financial statements.

According to Dean Michael Mead of the GASB, the new model financial statement brings all of the assets, liabilities, revenues, and expenses for the governmental body together in a single document. This model will provide local officials, legislators, credit analysts, and anyone else interested in public finance with a complete picture of the governmental body's financial condition.

One of the major changes in financial reporting under the new model pertains to infrastructure and other capital assets. The new standards call for reporting information such as purchase price or cost of construction for each capital asset on the balance sheet, and for showing an annual depreciation charge for each asset on the income statement. This financial reporting method is designed to provide a more complete picture of the actual cost of government operations than could be obtained from reviewing annual expenditures.

For more information about the new financial reporting standards, visit the GASB's web site at: [www.gasb.org](http://www.gasb.org).

## New OSD Phone Numbers

The state's Operational Services Division (OSD) has changed its phone number. The new main number is (617) 720-3300. There is also a new phone number for Gerry Eigen, who may be contacted for information about statewide contracts. His number is (617) 720-3145. As you may know, you may make purchases from vendors under statewide contracts without following the procedures set forth in M.G.L. c. 30B.

## Think Long Term!

Consider the following situation:

You have just opened two bids for copier maintenance. All bidders were asked to bid a per copy cost. The per copy cost is multiplied by the estimated copying volume for a total annual contract cost. Bidder A has bid .005 cents per copy, and Bidder B has bid .0045 cents per copy. Later that afternoon, Bidder A calls your office and urges you to cancel the bid and purchase copier maintenance off the statewide contract. He tells you that he is on the statewide contract for .0045 cents per copy, but he will give you a contract for .0043 cents per copy. Of course, Bidder B feels that this would be unfair, and that she should be awarded the contract pursuant to your bid process. What do you do?

While your first inclination might be to save money and execute a contract with Bidder A (provided the statewide contract terms permit a price reduction), sometimes decisions to jump on short term savings only produce long term losses. It is important that the vendor community have faith in the integrity of your bid process. If vendors feel that their bids are considered fairly they will continue to bid, even when they lose out on particular contracts. Conversely, if vendors feel that they are treated unfairly, they will simply choose not to compete. In the absence of competition, you will likely pay much more for this contract in the future, and any short-term savings will quickly vanish. Additionally, if you run into problems with Bidder A's company in the future, you may find that you have fewer alternatives.

Remember – the success of your procurement program depends in large part on fair dealings with the vendor community. When you have an opportunity to exercise discretion, always think of both the short and long term consequences of your purchasing decisions.





Excellence in Public Procurement

# Bidding Basics and Contract Administration

Sponsored by the Office of the Inspector General

- Are you interested in public purchasing, bidding procedures or contract administration?
- Do you need timely, relevant and practical information to make "best value" decisions?
- Are you unable to attend a comprehensive three-day seminar?

*This workshop may be the answer...*

Attend this 4-hour workshop and learn legal basics of public contracting and practical guidance for procuring and administering contracts for supplies and services under the Uniform Procurement Act, M.G.L. c. 30B.

*No prerequisite or prior experience is required. This course does not include a written examination and may not be applied to earning a Massachusetts Certified Public Purchasing Official (MCPPO) designation.*

### Who Should Attend:

- Public employees, elected officials, vendors and others who wish to attain a basic understanding of public procurement law and practices, but whose professional responsibilities do not require the rigorous, in-depth training provided by the MCPPO certification program
- Public employees, elected officials and others who are new to public procurement and desire a basic introduction to procurement law and practices prior to enrolling in the more challenging MCPPO certification courses

### Earn Professional Credit

The Office of the Inspector General is authorized to award CEUs and CPEs for successful completion of this seminar. All participants will receive a certificate of completion for attendance. Credit earned through this course **may not** be applied toward earning an MCPPO designation or for fulfilling MCPPO continuing education requirements.



### SEMINAR DATES:

- JANUARY 12, 2000 BOSTON
- FEBRUARY 10, 2000 BOSTON

### WORKSHOP FEE: \$40.00

Checks must be made payable to the Office of the Inspector General

**REGISTRATION:** Registration and payment must be received within 10 days prior to course date in order to reserve seating. Mail original and payment to the Office of the Inspector General, P.O. Box 270, Boston, MA 02133 ATTN: MCPPO

**SUBSTITUTION/CANCELLATIONS:** Each workshop is limited and filled on a space available basis. No cancellations accepted and no refunds. 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.

**INFORMATION:** For more information, please contact Anne Tierney, MCPPO Director or Genesi Dorsey, Program Coordinator at (617) 523-1205.

**FAX REGISTRATION:**  
(617) 723-2334

If sending a purchase order, please include a copy and mail original to:  
**MCPPO**  
State House Station  
P.O. Box 270  
Boston, MA 02133

PAYMENT:  CHECK/M.O.  PURCHASE ORDER # \_\_\_\_\_

NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_

SIGNATURE OF APPLICANT: \_\_\_\_\_

ORGANIZATION/JURISDICTION: \_\_\_\_\_

TITLE: \_\_\_\_\_ FAX: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

IN THE EVENT OF CANCELLATION, PLEASE PROVIDE HOME PHONE NUMBER:  
\_\_\_\_\_



## MASSACHUSETTS CERTIFIED PUBLIC PURCHASING OFFICIAL PROGRAM

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

### The MCPPO Program has been designed to promote:

- ✓ Cost-effective, ethical, and modern purchasing practices
- ✓ Dialogue and exchange of ideas and best practices among procurement officials
- ✓ Stewardship of resources in the public's interest
- ✓ Compliance with Massachusetts laws

#### LEARN FROM THE EXPERTS

Seminar instruction will be provided by experienced staff of the Office of the Inspector General, the Office of the Attorney General, the Department of Labor's Division of Occupational Safety, and the State Ethics Commission.

Anyone who is responsible for or interested in procurement by cities, towns, districts, or authorities in the Commonwealth of Massachusetts will benefit from this program, including:

- Procurement officials
- School business officials
- Department heads and support staff
- Housing authority officials
- Public works officials
- Water department commissioners
- Public managers and administrators
- Public and private auditors, accountants and attorneys
- Contracting officers
- Superintendents
- Public safety and law enforcement officials

### EARN THE MCPPO DESIGNATION

Purchasing officials who possess the requisite qualifications and experience are eligible to apply for a MCPPO Designation upon the successful completion of the Public Contracting Overview seminar and one specialized seminar. 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.

#### Public Contracting Overview

*Tuition for this seminar is \$200.*

Designed to provide an overview of legal requirements for public contracting with hands-on workshops that apply contracting knowledge and skills to practical problems faced by the procurement official. A *prerequisite for specialized seminars*, this dynamic seminar is invaluable for purchasing officials who are experienced and those who have recently entered the field or are working in a support capacity. Attend this dynamic and comprehensive 3-day seminar and learn about:

- Obtaining Best Value
- Public Purchasing Principles
- State Procurement Statutes
- Public Contracts Under Article 2 of the Uniform Commercial Code
- Practical Considerations for Contract Drafting
- Consumer Protection, Fraud in Procurement, and Antitrust Laws
- Ethics Laws and Considerations

#### Supplies and Services Procurement

*Prerequisite: Public Contracting Overview Tuition for this seminar is \$200.*

Comprehensive and challenging, this 3-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 attending this challenging seminar will learn about:

- Overview of the Supplies and Services Procurement Law
- Writing Effective Specifications
- Obtaining Best Value using an Invitation for Bids
- Making the Request for Proposals Process Work for You
- Common Bidding Problems and How to Resolve Them
- Effective Contract Administration
- Multi-Year Contracts, Leases, and Lease-Purchases
- Public-Private Partnerships

#### Design and Construction Contracting

*Prerequisite: Public Contracting Overview Tuition for this seminar is \$300.*

This in-depth 3-day seminar is tailored to professionals facing the complex issues of today's contracts, focusing on design, public building construction, and public works construction. You will learn practical applications and effective strategies to guide you through contract procurement and management. Focusing on best value project development and delivery, attendees will learn about:

- The Project Development Process
- Procuring Architectural and Engineering Services
- Construction Bidding Laws: Legal Requirements and Practical Applications
- Selecting Qualified Contractors
- Effective Design and Construction Contract Administration
- Proprietary Specifications
- Common Bid Protests

#### New Class:

#### An Overview of Electric Utility Restructuring & Public Power Procurement

Sponsored by

The Office of the Inspector General

with

The Division of Energy Resources

This four-hour workshop, developed specifically for municipal procurement officials, town administrators, elected officials, and other interested parties, provides an overview of the impact of the Massachusetts Electric Utility Restructuring Act on public power procurement. **Contact Anne Tierney at (617) 523-1205 for information on dates and times.**



Excellence in Public Procurement

Office of the Inspector General  
State House Station, P.O. Box 270  
Boston, MA 02133

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

**OFF-SITE REGISTRATION AND PAYMENT MUST BE RECEIVED 30 DAYS PRIOR TO SEMINAR DATE IN ORDER FOR THIS OFFICE TO CONFIRM SEMINAR.** 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.

**TUITION:**

Public Contracting Overview (Prerequisite)	\$200
Supplies and Services	\$200
Design and Construction	\$300
Electricity Procurement	\$40

**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 cancellations accepted and no refunds. 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. Except for *Electricity Procurement* seminars, changes in seminar date and/or cancellations received (FAX) 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 Office of the Inspector General is an Authorized CEU Sponsor member of the International Association for Continuing Education and Training. Membership #107852



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.

**MASSACHUSETTS CERTIFIED PUBLIC PURCHASING OFFICIAL PROGRAM REGISTRATION**

**Public Contracting Overview**

(prerequisite for *Supplies and Services* and *Design and Construction* seminars)

Tuition is \$200.

EARN 20 CPE and 2 CEU CREDITS QUALIFY FOR 20 PDP'S

- SEPT 28-30, 1999 AMHERST
- JANUARY 25-27, 2000 BOSTON
- FEBRUARY 15-17, 2000 BOSTON

**Supplies & Services Procurement**

Tuition is \$200.

EARN 20 CPE and 2 CEU CREDITS QUALIFY FOR 20 PDP'S

- NOV 3-5, 1999 BOSTON
- NOV 17-19, 1999 NORTHAMPTON

**Design & Construction Contracting**

Tuition is \$300.

EARN 20 CPE and 2 CEU CREDITS QUALIFY FOR 20 PDP'S

- OCT 19-21, 1999 FALMOUTH
- DEC 14-16, 1999 BOSTON

**An Overview of Electric Utility Restructuring & Public Power Procurement**

Tuition is \$40

EARN 4 CPE and .4 CEU CREDITS QUALIFY FOR 4 PDP'S

- OCT 14, 1999 9:00-1:00 BOSTON

**For More Information:**

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

***This form may be duplicated.***

PAYMENT:  CHECK/M.O.  PURCHASE ORDER # \_\_\_\_\_

NAME: \_\_\_\_\_ PHONE: \_\_\_\_\_

SIGNATURE OF APPLICANT: \_\_\_\_\_

ORGANIZATION/JURISDICTION: \_\_\_\_\_

TITLE: \_\_\_\_\_ FAX: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

HOW LONG HAVE YOU BEEN EMPLOYED AS A PURCHASING OFFICIAL? \_\_\_\_\_

IN THE EVENT OF CANCELLATION, PLEASE PROVIDE HOME PHONE NUMBER: \_\_\_\_\_

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

## Bidding Basics and Contract Administration

*A new course for public officials and others who are interested in purchasing*  
**This course may not be applied to MCPPO continuing education requirements**

### *Who should attend this course?*

Anyone who would like to know more about public purchasing, but is not interested in obtaining MCPPO certification. Or, anyone who would like an entry level class before entering the MCPPO program.

### *What does this course cover?*

The legal basics of public purchasing, including bidding procedures for supplies and services under M.G.L. c. 30B and administering contracts after they are awarded.

This is a brief, four hour course. You may earn .4 CEUs and 4 CPEs for completion of this course. This course does not contain an examination requirement. You will receive a certificate of completion for attendance at *Bidding Basics and Contract Administration*.



*See the registration form on  
page 5 for dates and times*