



A. JOSEPH De NUCCI
AUDITOR

AUDITOR OF THE COMMONWEALTH

ONE ASHBURTON PLACE, ROOM 1819
BOSTON, MASSACHUSETTS 02108

TEL (617) 727-6200
FAX (617) 727-5891

2004-0064-130

February 12, 2004

Michael J. Pasterczyk, Esq.
General Counsel
Soldiers' Home in Holyoke
110 Cherry Street
Holyoke, MA 01040-2829

Dear Mr. Pasterczyk:

This office has concluded its review of the Soldiers' Home in Holyoke's (SHH) proposal to privatize its Radiology/EKG Department. This review has concluded that the one-year contract falls below the privatization law's \$200,000 threshold of contracts to be reviewed. Whereas we have determined that the law is currently inapplicable to this proposed contract, we render no opinion on the underlying substantive proposal.

As we discussed prior to the submission of the proposal, we have significant concerns relative to SHH's four one-year extension options contained in the contract. If exercised, these options would raise the value of the contract well beyond the \$200,000 threshold.

Therefore, we have decided to request an opinion from the Office of the Attorney General on issues related to determining the contract value of proposed privatization contracts. We shall do this forthwith and hope to have a definitive answer in the next few months.

We have no objection to SHH executing the contract that was submitted. Once we have received the opinion of the Attorney General, we will notify SHH of these results and advise as to any further action we believe would then be warranted.

Please contact me with any concerns relative to this letter and proposed course of action. Thank you for your cooperation and that of SHH during our review.

Sincerely,

John W. Parsons, Esq.
Deputy Auditor