



OFFICE OF THE  
INSPECTOR GENERAL  
MASSACHUSETTS

# The Steamship Authority's Website Development Project

Poor Planning and Lax Oversight Wastes Millions



December 18, 2025

Jeffrey S. Shapiro, Esq., CIG  
Inspector General  
Office of the Inspector General  
Commonwealth of Massachusetts

December 18, 2025

*Via Electronic Mail*James M. Malkin  
Chair  
Steamship Authority BoardRobert B. Davis  
General Manager  
Steamship AuthorityAlex Kryska  
General Manager-Designee  
Steamship AuthorityNathaniel E. Lowell  
Chair  
Steamship Authority Port CouncilKristy Senatori  
Executive Director  
Cape Cod CommissionPhillip Eng  
Interim Secretary  
Mass. Dept. of TransportationThe Hon. Brendan P. Crighton  
Co-Chair  
Joint Committee on TransportationThe Hon. James Arciero  
Co-Chair  
Joint Committee on Transportation**Re: Steamship Authority's Website Development Project**

Dear Chair Malkin, General Manager Davis, General Manager-Designee Kryska, Chair Lowell, Executive Director Senatori, Interim Secretary Eng, Senator Crighton, and Representative Arciero:

In the pages that follow, I present findings related to the Office of the Inspector General's (OIG) investigation into a costly website development project undertaken and ultimately shelved by the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority (Steamship Authority). As the OIG's investigation makes clear, the project encountered a litany of problems in terms of planning, execution, and oversight. The result so far is that the Steamship Authority has nothing to show after pouring millions of dollars into an effort that was doomed from the start.

The Steamship Authority is a quasi-public entity. While not technically a state agency, it receives many of the same benefits, including its tax-exempt status, as though it were. The Steamship Authority does not receive legislative appropriations, but instead funds its operations through ticket sales, grants, and other authorized revenue sources. Regardless of the source, all revenue that the Steamship Authority collects becomes public funds subject to the OIG's oversight.

The Steamship Authority provides "lifeline" services to the Islands' residents, business owners, workers, and visitors. In calendar year 2024, the authority provided 24,000 ferry trips, transporting nearly 3 million passengers, 575,000 automobiles, and almost 100,000 trucks.

A functioning website and reservations system are critical to the Steamship Authority's operations. Unfortunately, the authority's leadership and its Governing Board (Board) launched the website development project in 2022 without paying heed to a plethora of information indicating that the underlying reservation system should have received priority. Indeed, the Steamship Authority's

failure to appreciate the difference between the public-facing website and the back-end reservation system anchors the cascade of failures that ensued.

Many factors contributed to this project's unacceptable waste of public resources.

Broadly, the Steamship Authority lacks a "tone from the top" and has failed to create a culture that values employee input. The Steamship Authority does not appear to have an ability or desire to implement a forward-thinking, strategic approach to managing projects, rather than a by-the-seat-of-your-pants reactive approach. Further, the Steamship Authority's general manager and board members appear to be unclear of their respective roles when executing complex projects.

Beyond this organizational malaise, the general manager made critical missteps in planning and executing the website project, such as ignoring the advice of the Steamship Authority's own consultant and not keeping the Board fully informed on repeated delays and cost overruns. For their part, Board members did not ask enough questions as they heard overly optimistic, unrealistic, or incomplete information. They either did not understand or did not execute their oversight function, resulting in many instances in which they failed to exercise their fiduciary responsibilities.

The Steamship Authority shelved the website project in 2024. It then awarded a contract for a new reservation system in June 2025. While some Steamship Authority officials suggest that the website rebuild can be salvaged and can go live once the new reservation system is delivered, this claim seems optimistic and suspect considering a history of inaccurate assurances by the authority's leadership to its Board and the public. Without a clear path tested by experienced IT technical experts, the OIG cautions against connecting an untested website to a costly reservation system under development, or otherwise throwing more funds into this unsuccessful project.

While this report details a troubling pattern of poor project leadership and decision-making that wasted millions of public dollars, the OIG is nonetheless optimistic that a new day is dawning for the Steamship Authority and those who depend on its services. With the arrival of a new general manager in January 2026, the Steamship Authority will have the opportunity to examine its operating procedures, consider new approaches to project management, adopt best practices, and set a true tone from the top.

That said, the OIG is concerned about the "senior advisor" position that the current general manager is slated to take on for the next 18 months. Aside from the question of why the Board approved this contract, the role's designated responsibilities cover three areas in which the current general manager has not demonstrated strength: strategic planning, project management, and implementing large projects. Further, retaining the current general manager as an "advisor" has the potential to impede the new general manager from setting his course for the Steamship Authority. And the senior advisor will continue to be paid even if his designated responsibilities are reduced or eliminated.

These circumstances also give the Legislature an opportunity to evaluate the Steamship Authority's governance and identify ways to improve oversight of a significant public resource.

I hope this report and its recommendations will serve as a field guide for the Steamship Authority to make needed changes in the immediate term as the incoming general manager works to set the agency's strategic vision, culture, and agenda with a view toward a "best in class" operation. The public deserves nothing less.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG  
Inspector General

cc (via email):

OIG statutory recipients  
The Hon. Lt. Gov. Kimberley Driscoll  
Kate Cook, Chief of Staff, Office of the Governor  
Inspector General Council  
Steamship Authority Board of Governors  
Steamship Authority Port Council  
Terence G. Kenneally, Esq., General Counsel, Steamship Authority  
The Hon. Mayor Jon Mitchell, City of New Bedford  
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## EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted a review of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority's (Steamship Authority or Authority) public procurement and management of services to upgrade its website and mobile app. The OIG launched its investigation in 2023, in response to public concerns and media reports after the Steamship Authority's website crashed multiple times during peak reservation periods.<sup>1</sup>

The Steamship Authority, a quasi-public organization created by the Legislature in 1960, currently operates the largest ferry service to the islands of Martha's Vineyard and Nantucket. Every ferry ticket is managed through the Steamship Authority's reservation system, which it procured in 1996. To this day, the reservation system is maintained by the original designer, a now 70-year-old man who lives in Wisconsin. The public accesses the reservation system through the Authority's website.

In response to repeated website crashes in January 2020, the Steamship Authority decided to procure a new website and mobile app. In addressing the public-facing website before the back-end reservation system, however, the Steamship Authority failed to mitigate the glaring operational risk of relying on an aging, custom-built system that could only be fixed by the person who built it. The Authority's leadership became blind to the underlying dilemma: that developing a new website around a reservation system that needed replacing would likely result in a substantial waste of time and money.

In this report, the OIG describes the myriad failures in project planning, project management, and project oversight on the part of the Steamship Authority administration and its Governing Board (Board). The OIG found that the Steamship Authority's General Manager continually exercised poor judgment during the project, regularly misdirected the Board about the project's status, and appointed an unqualified project manager who proved incapable of making informed and timely decisions.

The Board, which is charged with the Authority's overall management, exercised virtually no meaningful oversight of the Authority's spending throughout the project. The Steamship Authority threw good money after bad, ignored warnings from consultants and its website vendors, failed to recognize the limitations of its own IT staff, and misinformed its governing body about the status of the project. Finally, after spending more than \$4 million on website development and additional maintenance, the technological deficit of the reservation system became too great to ignore any further. The website project was shelved in 2024, and in 2025 the Steamship Authority awarded a \$5.7 million contract for a new reservation system, which is currently in development.

In this report, the OIG makes numerous recommendations to the Steamship Authority administration and Board, including those related to procurement practices, project management, project reporting, Board engagement, and the current development of the reservations system. The OIG also

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<sup>1</sup> See, e.g., Kristi Palma, 'We know many of our customers are frustrated': Steamship Authority opens Nantucket ferry reservations, BOSTON.COM, January 17, 2023, available at <https://www.boston.com/travel/local-news/2023/01/17/steamship-authority-opened-nantucket-ferry-reservations-customers-frustrated/>.

recommends that the Legislature establish a special commission to determine whether the Authority's 65-year-old enabling statute is ripe for revisions or updates.

With a new general manager set to lead the Steamship Authority in January 2026, this report also conveys the OIG's concern over the Board's retention of the outgoing general manager for 18 months as a senior advisor. The Board agreed to give the outgoing general manager significant responsibilities, ensuring his continued influence at a time when the new general manager is trying to chart a new course for the agency. Further, the broad responsibilities enumerated in the senior advisor's employment agreement include areas in which the outgoing general manager has not demonstrated strength. Pursuant to the agreement, the senior advisor can resign and collect significant compensation if the incoming general manager exercises his managerial prerogative to limit or change the senior advisor's responsibilities. The Board's agreement with the outgoing general manager appears to be far more generous than is typically seen in these arrangements and more generous to the outgoing general manager than to the Steamship Authority. It could prove to be an obstacle for the incoming general manager.

While the OIG's investigation was limited to the website procurement, the institutional failures the OIG identifies in this report are ongoing and likely affect the Steamship Authority's other major projects,<sup>2</sup> daily operations,<sup>3</sup> and general management.<sup>4</sup> Resolving these problems will demand attention from the Steamship Authority's leadership, the Board, MassDOT, and the Legislature.

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<sup>2</sup> For example, the Steamship Authority purchased three vessels used in the offshore oil industry in 2022 and procured services to convert the vessels into vehicle-carrying ferries. The conversion cost and completion time significantly exceeded Steamship Authority expectations. See Jason Graziedei, 'Sticker Shock' - Steamship Approves \$27 Million Contract To Retrofit New Vessels, NANTUCKET CURRENT, April 9, 2023, available at <https://nantucketcurrent.com/news/sticker-shock-steamship-approves-27-million-contract-to-retrofit-new-vessels>. Only two of the vessels are in operation as of this writing. See Vessels, THE STEAMSHIP AUTHORITY (last visited December 16, 2025), available at <https://www.steamshipauthority.com/about/vessels>.

In addition, the Woods Hole terminal reconstruction project has seen numerous issues, with the original contract for waterside work ballooning from \$43 million to \$59 million after change orders. See Steamship Authority Meeting Agenda, April 19, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/2022\\_0419\\_board\\_meeting\\_public\\_packet.pdf](https://www-steamship-assets.s3.amazonaws.com/files/2022_0419_board_meeting_public_packet.pdf) and Ethan Genter, Woods Hole Terminal Construction Is Heavy Lift for All Involved, VINEYARD GAZETTE, June 26, 2025, available at <https://vineyardgazette.com/news/2025/06/26/new-steamship-terminal-takes-shape-woods-hole>. Studies for the project began in 2013 and construction is ongoing into 2026, with the project budget for the terminal alone increased to \$39.16 million. See Woods Hole Ferry Terminal Reconstruction Project Summary, July 2025 Steamship Authority Board Meeting – General Manager's Report, available at [https://www-steamship-assets.s3.amazonaws.com/files/wh\\_terminal\\_project\\_summary\\_part\\_2.pdf](https://www-steamship-assets.s3.amazonaws.com/files/wh_terminal_project_summary_part_2.pdf) and Eunki Seonwoo, Steamship working to mitigate terminal congestion, MV TIMES, July 21, 2025, available at <https://www.mvtimes.com/2025/07/21/steamship-working-mitigate-terminal-congestion/>.

<sup>3</sup> For example, cancellations due to staffing shortages have become increasingly common. See Christina Hager, Steamship Authority staffing shortages leave some Cape and Islands ferry passengers stranded, CBS BOSTON, August 13, 2024, available at <https://www.cbsnews.com/boston/news/cape-cod-ferry-staffing-marthas-vineyard/>.

<sup>4</sup> For example, the Board recently approved a pay raise for the outgoing General Manager and appointed him to a "senior advisory position," despite having accepted his resignation in 2024. See Louisa Hufstader, Steamship Board Raises General Manager's Salary, THE VINEYARD GAZETTE, August 6, 2025, available at <https://vineyardgazette.com/news/2025/08/06/steamship-board-raises-general-managers-salary>. The Steamship Authority also hired a chief operating officer in April 2023 who departed only a year and a half later. See Sam Houghton, Steamship COO to resign, MVTIMES.COM, November 15, 2024, available at <https://www.mvtimes.com/2024/11/15/steamship-coo-resign/>.



This is not the first occasion that the OIG has evaluated project management at the Steamship Authority. In 1985, the OIG issued a [report](#) that reviewed three major projects: construction of the Nantucket Terminal, planning of new vessel acquisition, and acquiring a restaurant property. The OIG found that the Steamship Authority “functions adequately on a day-to-day basis but is unable to deal effectively with major, non-routine decisions and projects.” The 1985 report identified numerous factors contributing to this problem, including an overly active Board, an executive director providing unnecessarily complex and complicated information, and a breakdown in the relationship between the Board and executive director.

In this investigation, the OIG found a course correction that went too far: a Board that does not perform enough oversight, a general manager withholding important information, and a relationship between the two that contributes to inertia instead of forethought and action. The larger issue raised in the OIG’s 1985 report – management that does not properly plan for major projects – remains today. As the OIG wrote 40 years ago, **“Failure to properly manage major decisions can seriously impair the Authority’s future ability to provide service to the public.”** Then, as now, **“adequate management supervision and oversight was totally missing, and when that is the case, waste is almost inevitable.”**



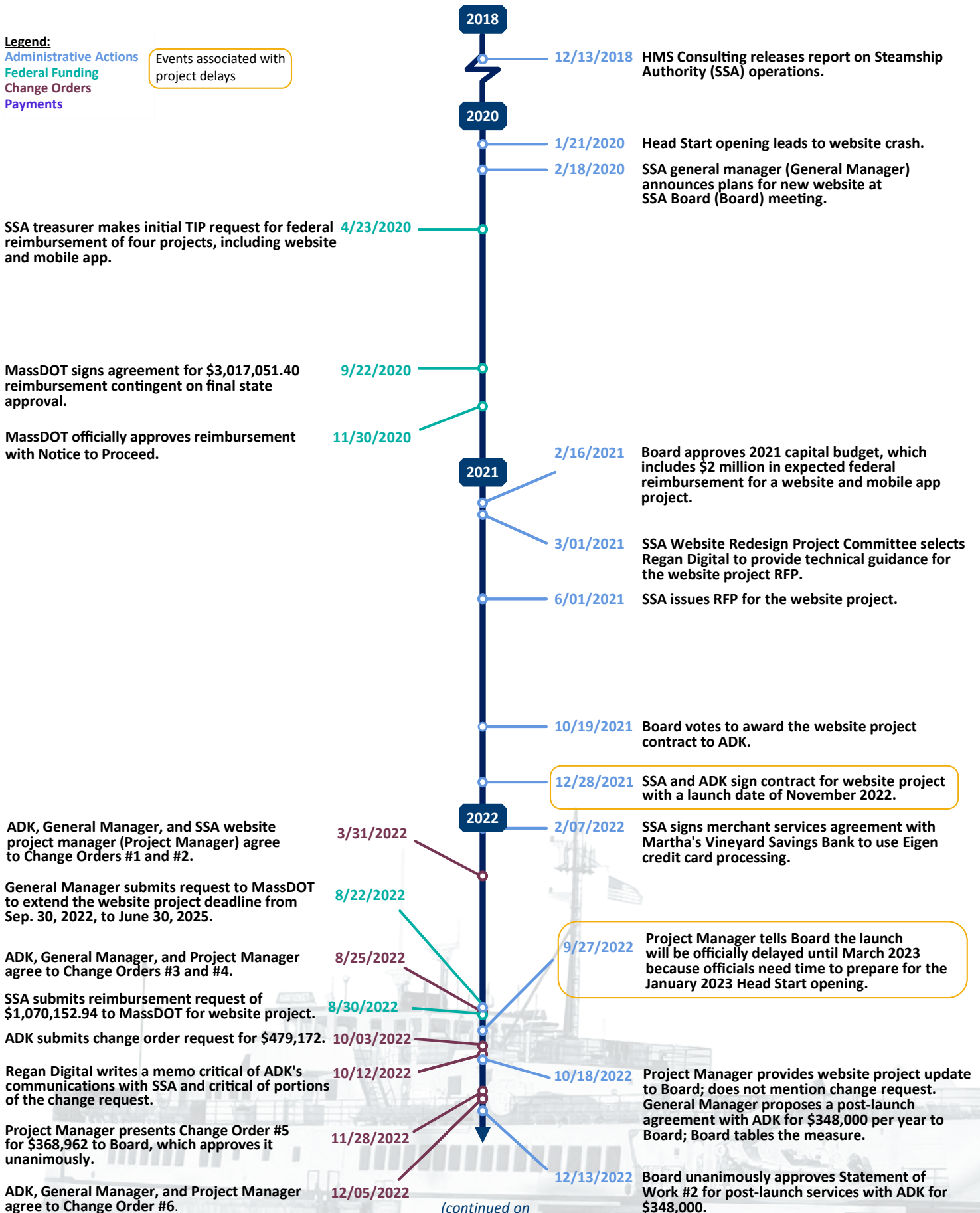


# The Steamship Authority's Website Development - Project Timeline

## Legend:

Administrative Actions  
Federal Funding  
Change Orders  
Payments

Events associated with project delays





**Legend:**

Administrative Actions  
Federal Funding  
Change Orders  
Payments

Events associated with  
project delays

(continued from  
previous page)

2023

Board unanimously approves Change Order #7 for \$165,000, pushing launch to April 30, 2023.

2/21/2023

ADK project manager writes memo requesting Change Order #8 and states ADK cannot guarantee a May launch because of SSA IT issue.

3/27/2023

ADK, General Manager, and Project Manager agree to Change Order #8.

4/19/2023

Board approves Change Order #9 for \$288,000 in a 4-to-1 vote, pushing launch date to September 2023.

6/29/2023

1/25/2023

After website suffers severe slowdowns during Head Start opening on Jan. 17, 2023, Board approves developing an RFP for a consultant to review SSA's IT systems.

3/29/2023

General Manager tells Board that project managers "determined that moving the launch to late May 2023 is the best way to deliver a superior experience to the Authority's customers."

8/15/2023

ADK project manager tells Board that he feels "very confident in an end of September or early October launch window."

10/24/2023

General Manager tells Board the website project's internal beta site will launch in the beginning of November and the site will launch shortly after Thanksgiving.

11/28/2023

General Manager tells Board that because of outstanding issues, the website's launch is delayed and could be pushed to February 2024.

2024

1/16/2024

Board considers postponing website launch.

4/23/2024

SSA IT director states he is "cautiously optimistic about a public beta test launching in June 2024."

5/28/2024

SSA IT director tells Board public beta is scheduled for after Labor Day.

7/16/2024

SSA IT director tells Board public beta is now scheduled for late September or early October.

9/17/2024

SSA IT director tells Board that management has decided to indefinitely delay the website in favor of working on reservation system.

10/01/2024

SSA IT director tells Port Council that the support agreement with ADK (now Stellar Elements) has automatically renewed for six months at \$29,000 per month.

12/01/2024

SSA issues RFR for new reservation system.

2/28/2025

SSA and ADK (Stellar Elements) terminate support contract.

6/17/2025

Board awards contract for replacement of reservation system to E-Dea Spa for \$5,779,48.

2025

Board approves hiring Gibbous, LLC to review SSA's IT systems for \$245,000.

4/23/2024

SSA and Saber Technologies sign Amendment to Software License Agreement for \$350,000.

6/28/2024

SSA hires IntraSystems under state blanket contract for \$155,000 to perform website testing.

7/5/2024

Board approves \$133,250 contract with Imarc for maintenance of existing website.

10/15/2024

Board approves \$258,300 contract with Imarc for maintenance of existing website.

3/21/2025

MassDOT approves SSA's re-scoping of website project and new deadline of March 31, 2026.

5/28/2025

SSA sends \$383,338.37 reimbursement request to MassDOT for website project

9/19/2025

Board approves \$120,000 contract with Imarc for maintenance of existing website.

11/18/2025

## BACKGROUND

### I. The Office of the Inspector General

The Office of the Inspector General for the Commonwealth of Massachusetts (OIG) is an independent state agency charged with preventing and detecting fraud, waste, and abuse of public funds and assets. The OIG investigates allegations of fraud, waste, and abuse at all levels of government and reviews programs and practices in state agencies and municipalities to identify systemic vulnerabilities and opportunities for improvement. The OIG strives to enhance or restore public confidence in government, ensure accountability, and promote the best interests of the people of the Commonwealth in the use of public funds and property.

The Legislature established the OIG in 1980 as the first state-level inspector general's office in the country. Today, the OIG has a budget of over \$10 million and a staff of about 90 employees. The OIG has oversight of more than \$120 billion in spending and the work of over 300,000 public employees across all state and municipal public entities throughout the Commonwealth, plus suppliers, vendors, contractors, and nonprofits that receive public funds.

### II. Scope and Methodology for this Report

The OIG reviewed the procurement file for the Steamship Authority's request for proposals (RFP) for its website redesign and development of a mobile application, contracts resulting from the RFP (and related contract administration files), and communications between the Steamship Authority and the Massachusetts Department of Transportation (MassDOT). The OIG also reviewed meeting agendas and meeting minutes for the Steamship Authority's Governing Board, internal memos prepared by a consultant monitoring the project, change orders for the project, internal progress reports for the project, and Steamship Authority procurement policies. Additionally, the OIG interviewed many key actors, including Steamship Authority employees and contractors, members of the Governing Board, vendor employees, and project consultants.

### III. The Steamship Authority

#### A. Operations

In 1960, the Massachusetts Legislature passed the Enabling Act of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority (Enabling Act) that created the Steamship Authority to provide "adequate transportation of persons and necessities of life for the Islands of Nantucket and Martha's Vineyard."<sup>5</sup> The Enabling Act empowered the Steamship Authority to acquire, maintain, and operate a boat line between the mainland ports of Woods Hole in Falmouth and Hyannis in Barnstable

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<sup>5</sup> 1960 Mass. Acts c. 701, as amended, available at <https://www.nantucket-ma.gov/DocumentCenter/View/1115/SSA-Enabling-Act>.

and the islands of Martha's Vineyard and Nantucket. As of October 2025, the Steamship Authority operates 10 vessels: six passenger ferries and four “open-top” ferries to transport trucks and freight.

The Steamship Authority provides the only year-round passenger transportation to the islands and typically offers the lowest fares for ferry service to the islands (the Steamship Authority also licenses all vessel transport of more than 40 passengers).<sup>6, 7</sup> The Steamship Authority transports vital freight such as medicine, food, and fuel to the islands. Residents, visitors, and tourists also rely on the Steamship Authority to transport vehicles between the islands and the mainland. In 2023, the Steamship Authority's gross operating revenue totaled \$137,100,046, with passenger revenues accounting for 25.3% of the total, automobile revenues accounting for 31.1%, freight revenues accounting for 30.9%, and parking and other revenues making up the difference. The Steamship Authority oversees approximately 25,000 one-way trips in a year. One reservation system manages all of the Steamship Authority's ticket sales, whether they are purchased through the Steamship Authority website or at the physical terminals.

## B. Governance

### 1. Steamship Authority Governing Board

The Steamship Authority is one of over 40 “quasi-public” entities established in the Commonwealth. A quasi-public entity is a publicly chartered body that is not directly accountable to the legislative and executive branches of the state government. Quasi-public entities are instead controlled by government-appointed boards. They are created by statute and enjoy some benefits of state affiliation, such as tax exemption.

The Steamship Authority is led by a five-member Governing Board (Board), who, as stated in the Authority's bylaws, “have charge of and supervise the management, operation and direction of all business and affairs of the Authority.” The members of this volunteer Board are appointed for three-year terms, each with weighted voting shares:

- one Dukes County resident appointed by Dukes commissioners (35% share);
- one Nantucket County resident appointed by Nantucket commissioners (35% share);
- one Barnstable resident appointed by the Barnstable Town Council (10% share);
- one Falmouth resident appointed by the Falmouth Select Board (10% share); and
- one New Bedford resident appointed by the mayor of the city of New Bedford with the approval of the New Bedford City Council (10% share).

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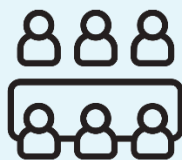
<sup>6</sup> *Comparison of All Ferries to Martha's Vineyard (2024)*, MVacay – Travel Info for Visitors (Mar. 11, 2024), available at [Comparison of All Ferries to Martha's Vineyard \(2024\)](#) (last visited December 11, 2025).

<sup>7</sup> *2025 Nantucket Ferry Schedules*, Nantucket Ferries, available at [2025 Nantucket Ferry Schedules | NantucketFerries](#) (last visited December 11, 2025).

Steamship Authority actions must receive a 50% or greater weighted vote; the Dukes and Nantucket members can therefore form a two-person majority vote.<sup>8</sup> The islands have a greater share of the vote because many of their services directly depend on the Steamship Authority for transportation.

The Board appoints the Steamship Authority's general manager, who works under the Board's direction. As stated in the Steamship Authority's bylaws, the general manager is responsible for the "general oversight, care, and management of all [the Steamship Authority's] property and business in all its departments, and supervision of its officers, other than the Members [of the Board], its agents and its employees in the discharge of all duties not specifically otherwise prescribed by law or by the Members." The general manager who led the Steamship Authority throughout the website development project (General Manager) joined the Steamship Authority in 1986 as an auditor and moved through different roles of increased responsibility during his time there, serving as treasurer from 2005 to 2016. The Board appointed him General Manager in 2016, and he assumed the role in 2017. In late 2025, the Board hired a new general manager, who is scheduled to take over the role in early 2026. At that time the current General Manager is scheduled to move into an advisory role.

**The Board Members appoint the Steamship Authority's General Manager, who works under the Board's direction.**



**From the Steamship Authority's Bylaws:**

"The **Members of the Authority** have charge of and supervise the management, operation and direction of all business and affairs of the Authority."



**From the Steamship Authority's Bylaws:**

"The **General Manager** shall be the chief executive officer of the Authority, and **under the direction of the Members**, shall have general oversight, care, and management of all its property and business in all its departments, and supervision of its officers, other than the Members, its agents and its employees in the discharge of all duties not specifically otherwise prescribed by law or by the Members."

## **2. Port Council**

The Steamship Authority is also advised by a committee known as the Port Council, which is made up of seven volunteer committee members appointed by the following towns: Falmouth, New Bedford,

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<sup>8</sup> 1960 Mass. Acts c. 701, § 3, as amended, available at <https://www.nantucket-ma.gov/DocumentCenter/View/1115/SSA-Enabling-Act>.



Barnstable, Oak Bluffs, Tisbury, Nantucket, and Fairhaven.<sup>9</sup> The Port Council may review the annual budget and has access to Steamship Authority books, records, and files. The Port Council often meets before the Board and sees the same material and presentation the Board sees. Port Council minutes show that its members have often asked more pertinent and pointed questions of Steamship Authority officials, including in regard to the website project, than Board members have.

While members of the Port Council have access to information and records, consult Steamship Authority officials, and regularly meet with the General Manager, they can only make recommendations on behalf of the communities they serve. They do not vote on key matters as the Board does.

### 3. Steamship Authority Funds

Similar to other quasi-public entities, the Steamship Authority does not depend on appropriated general funds for its operation. Instead, the Enabling Act permits the Steamship Authority to collect fees.<sup>10</sup> The Authority principally relies on ferry fee revenue for its operating budget.<sup>11</sup> Despite not relying on appropriated funds, the Board has a responsibility under the Enabling Act to properly manage and account for the funds that the Steamship Authority collects. The Enabling Act also permits the Steamship Authority to control issuance of licenses for ferry services involving all carriage of vehicles and freight, as well as all ferry services carrying 40 or more passengers.<sup>12</sup>

While the Steamship Authority's operational costs do not directly draw taxpayer dollars, the Authority has been granted a monopoly on the provision of many vital public services for the islands. It is imperative that public services be properly managed, even when the Legislature has delegated public responsibilities to a quasi-public entity such as the Steamship Authority.

## IV. The Steamship Authority's Ferry Reservation System

### A. Saber Technologies

Following a 1996 request for proposals (RFP), the Steamship Authority awarded Saber Technologies (Saber) – a Wisconsin-based company run by its owner and sole operator – a contract to install and maintain Saber's ferry reservation system, "Book 'Em." The "Book 'Em" system prioritizes placement of larger freight. It gives second priority to reservations by Nantucket and Martha's Vineyard residents and last priority to visitor reservations. The Steamship Authority's early reservation program, "Head Start," gives access to residents of Nantucket and Martha's Vineyard in January to make up to 10

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<sup>9</sup> *Id.* at § 14.

<sup>10</sup> Though not appropriated dollars, the fees that the Steamship Authority collects and other revenue it earns constitute public funds.

<sup>11</sup> 1960 Mass. Acts c. 701, § 4, as amended, available at <https://www.nantucket-ma.gov/DocumentCenter/View/1115/SSA-Enabling-Act>.

<sup>12</sup> *Id.* at § 5. Several passenger ferry services existing prior to 1973 received licenses through a "grandfather" clause in the Enabling Act. The Steamship Authority has also granted licenses to several other passenger ferry services over the years. No other ferry services currently hold licenses for vehicle or freight traffic.

reservations during the summer months before visitors can reserve space. Residents are also eligible for discounted travel rates.

“Book ‘Em” also maintains a waitlist which allows customers to book a space if another reservation is canceled. The waitlist accounts for vehicles’ spatial requirements, so the cancellation of a large freight shipment can open space for multiple smaller vehicles. Space for vehicles and freight on the ferries is in high demand for much of the year, often surpassing available capacity in the summer months.

Since 1996, Saber’s owner and operator has maintained the ferry’s reservation system according to the initial contract terms. Throughout this time, Saber’s operator has been the only person who fully understands how the reservation system works. From 1996 to 2009, for 40 weeks of the year, the operator’s schedule involved flying from Wisconsin to Massachusetts on Monday to work at the Steamship Authority’s office through Thursday, and returning to Wisconsin on Friday. Per its agreement with Saber, the Steamship Authority paid for the operator’s travel and lodging. From 2010 onward, the operator worked on site two weeks of the year and was otherwise available to assist by phone.

In 2010, Steamship Authority officials released an RFP for a new reservation system and website, but only Saber’s “Book ‘Em” system had the waitlist function that officials wanted. Because the Steamship Authority rejected any new system without that functionality, Saber’s reservation system remained in place.

In 2024, Saber’s operator informed the Steamship Authority that he intended to retire, and the Steamship Authority signed a \$350,000 agreement with Saber that granted it full rights to the reservation system’s source code.

The reservation system is currently integrated with the Steamship Authority’s website, created and maintained by Amesbury-based digital agency Imarc, LLC (Imarc), which originally launched in 2013.

## B. System Failures and Reviews

In 2018, following several electrical blackouts on vessels and IT outages, the Steamship Authority commissioned HMS Consulting to conduct a comprehensive review of its operations. The review covered (1) management structure, (2) fleet maintenance, (3) vessel operations, (4) information technology (IT) systems, and (5) public communications. The review recommended that the Steamship Authority address its reservation system, noting a lack of succession planning and proactive strategy, specifically stating that the “Steamship Authority is over reliant on a small number of individuals who hold inordinate amounts of knowledge and power,” and that the “Steamship Authority operates almost entirely reactively.”<sup>13</sup>

On January 21, 2020, during the Head Start opening period for Martha’s Vineyard, many customers were unable to connect to the Steamship Authority’s website to make reservations, and the website crashed multiple times. The Steamship Authority’s communications director released a systems

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<sup>13</sup> Comprehensive Review of the Steamship Authority’s Operations, HMS Consulting, December 13, 2018, available at [hms\\_report\\_of\\_ssa\\_ops\\_web.pdf](#).

issues report on February 14, 2020, which concluded that the website was not adequately tested for mobile customers, that the mobile site's connection to the main website was inadequate for demand, and that the volume of users exhausted the website's memory, among other issues.<sup>14</sup> The report was discussed at the February 18, 2020 Board meeting, where the General Manager recommended that the Steamship Authority "oversee a study of a website upgrade/redesign, which will incorporate the conclusions of this report, in preparation for the solicitation of proposals and award of a contract for a mobile app and/or redesign of the website."<sup>15</sup>

## V. Website Procurement and Development

### A. Federal Funding Request

The Steamship Authority is eligible to receive funds through the Federal Highway Administration's (FHWA) Ferry Boat Formula Grant Program (Ferry Boat Funds), which provides reimbursement of up to 80% for ferry projects. Ferry Boat Funds must be spent within three years and cannot be banked for large projects, such as a new boat. To receive Ferry Boat Funds for a capital project, the Steamship Authority must first request that the Cape Cod Commission add the project to the Cape Cod Metropolitan Planning Organization's transportation improvement plan for approval by MassDOT and the FHWA. The Steamship Authority then finances the project with its capital funds and submits a reimbursement request to MassDOT, which conveys the federal funds to the Steamship Authority.

On April 23, 2020, the Steamship Authority sent a letter to the Cape Cod Commission requesting to use \$2,790,293 in Ferry Boat Funds and asking that the following projects and their estimated costs be added to the state's transportation improvement plan:<sup>16</sup>

1. Reservation System Hardware: \$700,000
2. Mobile Web Application: \$750,000
3. Redesigned Website: \$1,250,000
4. Reservation System Hardware & Redundancy: \$200,000

An additional contingency fund of \$226,758.40 was later added to the project, for a total amount of \$3,017,051.40. The Ferry Boat Funds would reimburse the Steamship Authority for up to 80% of those project costs. MassDOT and FHWA approved the project in late 2020, which was to include the four components listed above.

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<sup>14</sup> Systems Issues Report, Steamship Authority, January 21, 2020.

<sup>15</sup> Steamship Authority Meeting Minutes, February 18, 2020, available at [https://www.steamshipauthority.com/writable/files/ssa\\_minutes\\_public\\_session\\_entire\\_year.pdf](https://www.steamshipauthority.com/writable/files/ssa_minutes_public_session_entire_year.pdf).

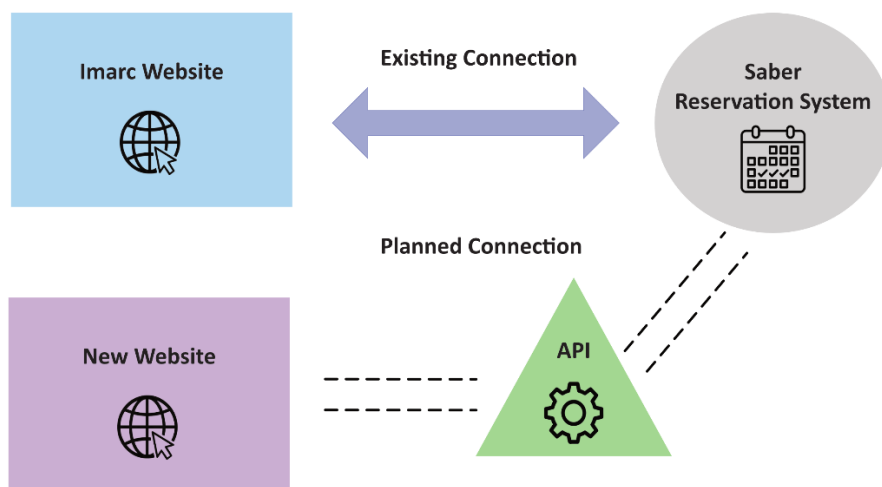
<sup>16</sup> Transportation Improvement Plan Request, Steamship Authority, April 23, 2020.

## B. Website Request for Proposals (RFP)

In February 2021, the Board approved the Steamship Authority's 2021 capital budget, which included \$2 million in funding for a website project. This amount was based on the Steamship Authority's request for \$1,250,000 in Ferry Boat Funds for a redesigned website and \$750,000 for a mobile web app.

The Steamship Authority intended to connect the redesigned website which would result from this project to its existing reservation system using application program interfaces (APIs). The Authority planned to eventually procure a new reservation system to replace Saber's, which leadership envisioned would connect to the new website using these same APIs.

**Figure 1. Connecting Reservation System and Websites Through APIs.**



In March 2021, the Steamship Authority's website redesign project committee selected Regan Digital Studio and its president to provide technical guidance for the project team as it designed an RFP. The General Manager assigned the Steamship Authority's communications director to serve as project manager (Project Manager) of the website project, a role which he would perform in addition to his communications duties. The Project Manager was assigned this role despite having no technical or project management experience.

In June 2021, the Steamship Authority issued an RFP for a website and mobile app project, along with four addenda that addressed vendors' questions, and received 16 responses. In October 2021, the Steamship Authority awarded the contract to Boston-based firm ADK Group (ADK), which bid



\$1,996,554.<sup>17</sup> The Board unanimously approved this selection. ADK signed a contract with the Steamship Authority on December 28, 2021,<sup>18</sup> which stipulated a website launch date of November 2022.<sup>19</sup>

The statement of work (SOW) included in the Steamship Authority's contract with ADK for website and mobile app development contains the following project description:

The goal of this project is to deliver a best-in-class digital platform with a seamless experience that exceeds the expectations of travelers. The digital platform will include (1) a website streamlined for customers and optimized for marketing, SEO, accessibility, and mobile; (2) an operational subdomain serving relevant content; (3) an online reservation dashboard integrated with the website; (4) a mobile application with an online reservation system and additional content; and (5) a best-in-class content management system streamlining flexibility across items 1-4.

The SOW further lists a four-part schedule of development with specific activities, with a nine-part billing cycle based on work phases begun and completed. The SOW provides for changes to the scope with the following language: "Any additional labor or materials requested but not included in the scope of this Statement of Work will constitute a change request which must be approved by both parties via a change control process." The SOW lists the following deliverables at the end of the project:

- A redesigned Steamship Authority Website with an Online Reservation Dashboard
- An Operational Subdomain
- A Mobile Application

### C. Website Development and Delays

Website development began in January 2022. Regan Digital Studio's president was brought on as an "owner's representative" consultant (Owner's Representative).<sup>20</sup> The Owner's Representative was intended to assist with IT aspects of the project to make up for the Project Manager's lack of IT expertise. In June 2022, the Project Manager reported that the project was proceeding on time and on budget.<sup>21</sup>

In July 2022, the Owner's Representative prepared a memo, which was distributed to the Board, stating that the website would likely not launch in November 2022. The memo noted concerns regarding

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<sup>17</sup> During the course of the contract with the Steamship Authority, ADK legally folded into projekt202 LLC, and ADK was rebranded as Stellar Elements. This report will refer to the developer as ADK for consistency.

<sup>18</sup> Master Services Agreement, December 28, 2021.

<sup>19</sup> The contract included deliverables for the project, including development, launch of the product, and a three-month post-launch audit of the website.

<sup>20</sup> Steamship Authority Meeting Minutes, May 26, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20220526.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20220526.pdf).

<sup>21</sup> Port Council Meeting Minutes, June 7, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_port\\_council\\_20220607.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_port_council_20220607.pdf).

the website's API,<sup>22</sup> used to connect the website with the reservation system, as well as the impact of the Steamship Authority's recent decision to change its credit card processor to a new company, Eigen:

The API is the most critical component of the project, as it is the only link between the [reservation system], the website and the mobile application. Therefore, the API and its functionality has to be near bulletproof. While the weekly API meetings have been immediately helpful, due to the critical nature of this technology, the Steamship Authority may need to provide additional internal resources to make certain that the API is functioning at a level that is required to successfully integrate with the website and mobile app. The Steamship Authority will need to manage communications around any future issues or delays with the Eigen payment processor rollout, as this poses a slight risk downstream to the completion of the project and launch schedule. This issue is not critical at this time.

In September 2022, the Project Manager told the Board that the launch was officially delayed until **March 2023** because Steamship Authority officials needed time to prepare for the January 2023 Head Start opening and did not want to launch the new site during a peak use period. The Project Manager stated the bulk of the site's work would be done by early November.<sup>23</sup>

On October 3, 2022, ADK submitted a change order request for an additional \$479,172 to Steamship Authority officials. ADK stated that this change order corresponded to two additional phases of work involved in addressing difficulties in several areas:<sup>24</sup>

1. Accessing Eigen, the new credit card processor;
2. Selecting a new content management system;
3. Incomplete and unstable API; and
4. Updates to Steamship Authority computer systems.

On October 12, 2022, the Owner's Representative sent an analysis critical of ADK's communication with the Steamship Authority and portions of the change order request to the Project Manager, in particular criticizing ADK's integration of Eigen.

On October 18, 2022, the General Manager submitted a separate proposal to the Board for a new post-launch website support services agreement with ADK (for \$29,000 a month, or \$348,000 a year). The General Manager stated the agreement was being negotiated at that time so it would be in place at the time of the website's completion, instead of waiting until the time period the agreement would cover was

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<sup>22</sup> For further discussion of APIs, see Finding 5.

<sup>23</sup> Steamship Authority Meeting Minutes, September 27, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20220927.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20220927.pdf).

<sup>24</sup> In the request, ADK states that it performed approximately \$690,000 worth of additional work but only billed for \$479,172, because some of that work was due to ADK's incorrect assumptions about the scope of the project.

upon the Board. These support services were for basic website operations, as opposed to website development.<sup>25</sup>

The Board tabled the proposed support services agreement.<sup>26</sup>

In November 2022, the Board was presented with, and approved, ADK's change order request as Change Order #5,<sup>27</sup> which had been reduced from \$479,172 to \$368,962.<sup>28</sup> According to meeting minutes, a Board member said "he wanted to make sure this would be the only [cost-related] change order submitted," to which the Project Manager replied that "absent a catastrophe, it would be."<sup>29</sup>

In December 2022, the Board approved the previously tabled post-launch support services agreement with ADK for \$348,000.<sup>30</sup> Under the agreement, support services would begin "90 days after the launch of the platform," including launch in beta format.

In January 2023, the Steamship Authority website opened for Head Start reservations and suffered severe slowdowns.

In January 2023, the Steamship Authority website opened for Head Start reservations and suffered severe slowdowns. At the January 25, 2023 Board meeting, Board members approved developing an RFP for a consultant to review all IT systems.<sup>31</sup>

In February 2023, Steamship Authority staff proposed delaying the website launch date until **April 27, 2023**,<sup>32</sup> to allow the consultant RFP to close and to involve the consultant in the website post-launch.

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<sup>25</sup> The support services are not specifically defined in the website and mobile app project RFP, but they are referred to as being part of a forthcoming separate agreement for the selected vendor:

As part of the RFP, the Authority requires a detailed description of the supporting services that will be required to operate the website after it has been launched. The supporting services will be engaged separately with the vendor from the website development agreement. However, the scope and costs associated with the supporting services will be considered as part of the evaluation criteria for selection of the primary vendor for the RFP.

<sup>26</sup> Steamship Authority Meeting Minutes, October 18, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20221018.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20221018.pdf).

<sup>27</sup> [Steamship Authority Change Order #5](#), November 11, 2022.

<sup>28</sup> Steamship Authority Meeting Minutes, November 28, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20221128.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20221128.pdf). ADK's original request proposed adding website development resources. The approved Change Order #5 included the same amount of additional web development, but reduced the payment associated with post-launch website audit services included in the original contract by \$110,210.

<sup>29</sup> Steamship Authority Meeting Minutes, November 28, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20221128.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20221128.pdf).

<sup>30</sup> Statement of Work, January 5, 2023. Under the agreement, the post-launch support services would include website maintenance, growth strategy, search engine optimization services, and ongoing feature development.

<sup>31</sup> Steamship Authority Meeting Minutes, January 25, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230125.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230125.pdf).

<sup>32</sup> Steamship Authority Meeting Minutes, February 21, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230221.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230221.pdf).

As part of this process, the Board approved Change Order #7 for an additional \$165,200 of development services.<sup>33</sup>

In March 2023, the Project Manager told the Board that the Steamship Authority and ADK's parent company "determined that moving the launch to **late May 2023** is the best way to deliver a superior experience to the Authority's customers."<sup>34</sup>

At the April 24, 2023 Board meeting, the Board approved hiring Boston-based consulting company Gibbous, LLC for \$245,000 to perform a comprehensive assessment of the Steamship Authority's IT systems and make recommendations for changes.<sup>35</sup>

In June 2023, Steamship Authority officials proposed Change Order #9<sup>36</sup> to the Board, with the recommendation that delaying the launch of the website until **September 2023** was the "most prudent course of action" and requesting funding for a full development team through the end of September. ADK's project lead told the Board the project was "within striking distance" and he felt "extremely confident about a September launch." The change order added additional costs and scheduled the start of the monthly \$29,000 post-launch support service payments to begin in October 2023. The Board approved Change Order #9 for \$288,000, with only one Board member voting against it. According to the meeting minutes:<sup>37</sup>

The nay-voting Board member said that he was "a little outraged" at the third delay in what was supposed to be a one-year project, and added that he did not see an end to the project in sight.

[The nay-voting Board member] said he was "a little outraged" at this point, as it was the third delay on what was to be a one-year project. He said he remembered asking when the first change order was requested if any more would be necessary, and he was assured they would not. He was similarly reassured in February that a May launch would occur, and it did not[.] He said he did not have any real confidence in the information being given to him by [the Project Manager] and said he did not see an end to this project in sight.

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<sup>33</sup> [Steamship Authority Change Order #7](#), February 17, 2023.

<sup>34</sup> Steamship Authority Meeting Minutes, March 29, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230329.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230329.pdf).

<sup>35</sup> Steamship Authority Meeting Minutes, April 24, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230424.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230424.pdf).

<sup>36</sup> [Steamship Authority Change Order #9](#), June 28, 2023.

<sup>37</sup> Steamship Authority Meeting Minutes, June 29, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230629.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230629.pdf).

In July 2023, ADK's project lead told the Board that the RFP for the project listed several APIs that were in a different state than initially believed, but he did not believe anyone could have anticipated the complexity of the project until its discovery phase had been completed.<sup>38</sup>

In August 2023, the General Manager assigned the Steamship Authority's director of information technology to take over as project manager, and on August 15, ADK's project lead told the Board he felt "very confident in an **end of September or early October [2023]** launch window."<sup>39</sup>

In October 2023, the General Manager told the Board that the internal beta site would launch in the beginning of November 2023, and the website would launch in **late November 2023**, shortly after Thanksgiving.<sup>40</sup>

On November 28, 2023, the General Manager told the Board that several outstanding issues with website development would be "showstoppers" in terms of launching the site, and that if the site was not available by mid-December, the launch would be pushed to **February 2024**.<sup>41</sup>

On December 12, 2023, the General Manager told the Board that the website should not be rolled out before Head Start.<sup>42</sup>

At the January 16, 2024 Board meeting, members discussed holding off on launching the website and hired a consultant to review the Steamship Authority's IT infrastructure, including the reservation system.<sup>43</sup>

At the April 23, 2024 Board meeting, a Steamship Authority official told the Board that they were "cautiously optimistic" about a public beta period launching in **June 2024**.<sup>44</sup>

At the May 28, 2024 Board meeting, a Steamship Authority official told the Board the limited beta was scheduled for August 13 through August 24, with a public beta after Labor Day, in **September 2024**.<sup>45</sup>

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<sup>38</sup> Steamship Authority Meeting Minutes, July 18, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230718.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230718.pdf).

<sup>39</sup> Steamship Authority Meeting Minutes, August 15, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230815.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230815.pdf).

<sup>40</sup> Steamship Authority Meeting Minutes, October 24, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20231024\\_copy1.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20231024_copy1.pdf).

<sup>41</sup> Steamship Authority Meeting Minutes, November 28, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20231128.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20231128.pdf).

<sup>42</sup> Steamship Authority Meeting Minutes, December 12, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20231212.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20231212.pdf).

<sup>43</sup> Steamship Authority Meeting Minutes, January 16, 2024, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20240116.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20240116.pdf).

<sup>44</sup> Steamship Authority Meeting Minutes, April 23, 2024, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20240423.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20240423.pdf).

<sup>45</sup> Steamship Authority Meeting Minutes, May 28, 2024, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20240528.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20240528.pdf).



At the July 16, 2024 Board meeting, a Steamship Authority official told the Board that the public beta was scheduled for **late September or October 2024**.<sup>46</sup>

At the September 17, 2024 Board meeting, following continual delays and technical challenges including connecting the website and reservation system through APIs, a Steamship Authority official told the Board that management had decided to indefinitely delay launching the website in favor of replacing the reservation system.<sup>47</sup> The official stated that investment in the website project would not be lost because the new reservation system could be “bolted” into the new website.

**Figure 2. Change Orders for the Steamship Authority’s Contract with ADK.**

Change Order	Date Approved	Cost to Authority	Purpose
Change Order #1	3/31/22	\$0	Select sub-vendor for content management system (CMS) for new website
Change Order #2	3/31/22	\$0	Change estimated invoice schedule
Change Order #3	8/26/22	\$0	Select sub-vendor for CMS for mobile app
Change Order #4	8/26/22	\$0	Change website launch from 11/7/22 to 3/15/23
Change Order #5	11/28/22	\$368,962	Pay for 2 additional phases of work from ADK due to credit card processing integration, API work, CMS negotiation, and other issues
Change Order #6	12/12/22	\$0	Change sub-vendor for CMS for new website
Change Order #7	2/21/23	\$165,200	Change website launch to 4/27/23 and add development time
Change Order #8	5/22/23	\$0	Recognize change of ADK’s organization, change website launch to 5/31/23. Add development work worth \$151,000 to ADK, reduce post-launch support period by 30 days (saving ADK \$48,000)
Change Order #9	6/29/23	\$288,000	Change website launch to September 2023 and add development work

<sup>46</sup> Steamship Authority Meeting Minutes, July 16, 2024, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20240716.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20240716.pdf).

<sup>47</sup> Steamship Authority Meeting Minutes, September 17, 2024, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20240917.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20240917.pdf).

## D. Suspension of Website Project and Procurement of New Reservation System

In December 2024, the Steamship Authority issued a request for responses (RFR) for a new reservation system.

In February 2025, the Steamship Authority terminated its post-launch support services agreement with ADK, five months after renewing the agreement for a second year, having paid \$145,000 on top of the initial \$348,000 agreement. It appears that the Steamship Authority used those funds to pay for website development prior to website launch, rather than on post-launch support services.

In May 2025, the Steamship Authority requested to reassign the \$750,000 in federal funds earmarked for developing a mobile app to instead fund the work on the website. The Steamship Authority also requested to extend the project deadline to March 31, 2026. MassDOT and the FHWA approved the request.

In June 2025, the Board unanimously voted to award the reservation system replacement contract to Italy-based E-Dea SpA for \$5,779,484.<sup>48</sup> The contract runs through 2030 with a new reservation system scheduled to be fully implemented by the fourth quarter of 2026. The website project is currently suspended. While Steamship Authority officials have asserted that the new website will function with the new reservation system, some Board members have expressed skepticism that the website which ADK built to connect with the old reservation system will readily connect with an entirely new system.

In September 2025, the Steamship Authority filed a reimbursement request for \$383,338.37 for the website project.

**Figure 3. Repeated Delays of the Steamship Authority’s Website Launch Date.**

Announcement	Location	Website Launch Date
December 28, 2021	Original Contract	November 2022
September 27, 2022	Board Meeting	March 2023
February 21, 2023	Board Meeting	April 27, 2023
March 29, 2023	Board Meeting	Late May 2023
June 29, 2023	Board Meeting	September 2023
August 15, 2023	Board Meeting	Late September/Early October 2023
October 24, 2023	Board Meeting	Late November 2023
November 28, 2023	Board Meeting	February 2024
April 23, 2024	Board Meeting	June 2024
June 20, 2024	Board Meeting	September 2024
July 16, 2024	Board Meeting	Late September/Early October 2024
September 17, 2024	Board Meeting	TBD (Project shelved)

<sup>48</sup> Steamship Authority Meeting Minutes, June 17, 2025, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20250617.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20250617.pdf).

## FINDINGS

### I. Pre-Project Failures

**Finding 1: In the decades before the website project, the Steamship Authority failed to address an increasingly outdated and risky reservation system, creating a culture of stagnation that led to the fundamental misconception that developing a new website before a new reservation system was workable.**

Reservations by commercial, Islander, and tourist traffic provide the vast majority of the Steamship Authority's revenue. When the Steamship Authority purchased the Book 'Em reservation system in 1996, it provided the essential service required and offered what the Steamship Authority saw as a significant benefit – a waitlist function that allowed reservation holders to easily move into new slots should an earlier reservation be canceled.

However, this system was created and overseen by one person, a hired contractor. He adequately maintained the reservation system, but the Steamship Authority did not take the necessary steps to remove the risk of a single point of failure affecting their entire business model. There was apparently no follow-through with the Authority's attempt to license the source code to the reservation system in 2003. A second attempt to license the source code in 2010 resulted in a payment to the contractor, but there is no record of a signed agreement. When the Steamship Authority put out a bid for a new reservation system in 2010, officials insisted on requiring a similar waitlist function – a function other reservation system vendors could not provide. While that function offered a benefit to the Steamship Authority, mandating it ensured the Authority would continue to rely on a single person to maintain the then-15-year-old system.

After making the 2010 purchase of the source code, Steamship Authority officials apparently failed to ensure the license existed and failed to use the opportunity to train Steamship Authority employees to fully understand and further develop the reservation system. In 2018, an HMS Consulting review of the Steamship Authority's operations criticized the reservation system's single point of failure and out-of-date code, and recommended "Buying the company/code, including owner, and having the owner teach and train existing employees and new employees to develop the system" or "Moving away from the existing reservation platform to a new web-based system." The Steamship Authority could have taken steps toward that first recommendation in 2010, but chose not to. The Steamship Authority again took no action when the recommendation to either overhaul or replace the reservation system was specifically presented in 2018.

Fundamentally, the website project was misguided from the beginning because it should have been a reservation system project. Years of indifference to planning had created the need for a new reservation system, but had also created the inertia that led Steamship Authority officials to look for a quick fix of replacing the website instead of addressing the core function of the Authority's business.

## II. Planning Failures

**Finding 2: The Steamship Authority ignored a significant, known business risk posed by its decades-old reservation system when it chose to dedicate resources to improve website functionality that was reliant on this system.**

The Steamship Authority's reservation system, created by Saber in 1996 and operated by a sole proprietor, represented a significant business risk which the Steamship Authority was aware of but ignored for years. Its decision to develop a new website before addressing the issues posed by the reservation system resulted in a substantial waste of resources on designing connections to a reservation system that is now obsolete.

The 2018 HMS Consulting review of the Steamship Authority's operations identified risks with the reservation system's age, lack of updates, and single operator:

Steamship Authority's reservation system is entirely owned, managed, and maintained by a single individual operating remotely and the report program generator (RPG) code that the system is written in is dangerously outdated ... This programming language is not used in any form of modern development and the likelihood of finding a coder that could develop or fix an issue in the event of an emergency is very low.

The study recommended that the Steamship Authority either buy Saber's code and train employees to learn and further develop it, or purchase an off-the-shelf reservation platform. The Steamship Authority either did not raise or was not aware of its 2010 source code purchase. Even if the Steamship Authority was concerned about not having the correct documentation, it still should have been training employees since 2010 to avoid this exact situation.

Despite the explicit concerns and recommendations expressed by the consulting agency, until 2024 the Steamship Authority did not alter its agreement with Saber except to periodically adjust the hourly billable rate. In an interview with the OIG, the General Manager stated that the Steamship Authority had previously updated websites while retaining Saber's reservation system, so addressing this problem was not "such a driving critical thing."

In June 2024, after Saber's owner told the Steamship Authority that he intended to retire and would no longer be providing support services for the reservation system, the Steamship Authority signed a \$350,000 agreement with Saber giving it full rights to the system's source code. A year later, in June 2025, the Steamship Authority signed a contract to replace its reservation system with Italy-based E-Dea SpA for \$5,779,484, and shelved the new website project with the hope that it will be compatible with the new system.

The Steamship Authority did not recognize that flaws in its existing reservation system would undermine the success of its website project. Although Steamship Authority officials have maintained that the website developed by ADK will ultimately function with E-Dea SpA's reservation system, some Board

members are concerned that the reservation system will be incompatible with a website that was designed to connect with a separate reservation system, was shelved in 2024, and has never functioned as intended. The OIG shares this concern.

While some parts of the ADK website may be salvageable, the work that was done to build the site around the existing reservation system will almost certainly need to be redone. In addition, the Steamship Authority faces execution risks and integration risks in bringing a website that has sat dormant for two years in line with a new reservation system, particularly as the website's developer is no longer involved with the project. The extent to which the currently shelved website will ultimately be useful is unknown; however, it is likely that by ignoring the risk posed by its aging reservation system, the Steamship Authority wasted a large portion of the \$4 million in capital funds it spent on website development, and may have to refund the reimbursement it received from the federal government due to the project not being completed. The OIG is concerned that the Steamship Authority's potential obligation to return funds for a failed website project is the driving force behind its suggestion that the website is salvageable. The integration of a new reservation system with ADK's website and APIs could require additional spending on an unproven, shelved website project. The OIG believes this to be both a risk and a waste of public dollars.

In focusing on developing the website instead of addressing its outdated reservation system, the Steamship Authority set itself up for failure from the start of the project, creating a gap instead of a foundation. And as ADK's website sits on the shelf, that gap continues to grow.

**Finding 3: Although the Steamship Authority apparently purchased a license to Saber's source code in 2010, the Authority's poor recordkeeping led it to repurchase a license in 2024 at 10 times the cost.**

Steamship Authority documents indicate the organization at least twice considered buying a general license for the system source code in order to develop it.<sup>49</sup> In 2003, according to a Steamship Authority capital expenditure proposal written by an unknown employee,<sup>50</sup> Saber offered to sell a perpetual license for the system source code to the Steamship Authority for \$35,000. Presciently, the employee wrote, "The Steamship Authority should take advantage of this opportunity to avoid perhaps costly and timely legal issues in the future. Again, in the event that Saber Technologies is unable to render their commitments to us, we would be forced to only use the software as-is, which may not be reasonable." The expenditure does not appear to have been approved.

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<sup>49</sup> The 1996 agreement with Saber included a perpetual license for use of Saber's software, but not a license for Saber's source code.

<sup>50</sup> [2004 Capital Expenditure Project Request](#), Steamship Authority, October 7, 2003.



In 2010, a former Steamship Authority IT director made a similar request to purchase a license to Saber's reservation system source code, using the same language as the 2003 request.<sup>51</sup> An October 2010 invoice shows that the Steamship Authority paid \$35,000 to Saber, corresponding with the line item "Book Em Source Code."<sup>52</sup> However, Steamship Authority employees state that the agreement was not signed and is not enforceable, despite the invoice demonstrating that the Authority made the payment.

On June 28, 2024, Saber and the Steamship Authority signed an agreement that specifically amends the parties' 1996 agreement and does not refer to the 2010 agreement.<sup>53</sup> The agreement grants the Steamship Authority "full rights to the application source code, database, algorithms and functions in perpetuity." The agreement states that Saber will continue to provide support services for the reservation system through May 1, 2026. It also states the Steamship Authority will pay Saber a licensing fee of \$350,000.<sup>54</sup>

The terms of the 2024 agreement appear to replicate the terms of the 2010 agreement. In an email to the OIG, the Steamship Authority's general counsel wrote:

During discussions that led to the 2024 amendment with Saber Tech, we learned that there was another agreement, which was apparently approved in June 2010, concerning the purchase of the reservation system's source code....The issue that developed last year was the parties' inability to locate a signed copy of the 2010 'source code license agreement' although we did find an unsigned copy. In any event, to ensure that the software licensing issues were clarified, we incorporated terms into the 2024 amendment that made it clear the Authority had 'full rights to the application source code, database, algorithms and functions in perpetuity.'

The Steamship Authority's general counsel wrote in another email to the OIG, "The uncertainty with some of the information led us to completing the 2024 amendment with Saber."

In effect, the evidence suggests that the Steamship Authority repurchased rights it had previously purchased in 2010, at 10 times the cost. While the General Manager has disputed the conclusion that the 2010 agreement gave the Steamship Authority full rights to Saber's source code, the wording of both the 2010 and 2024 agreements, as well as the email from the Steamship Authority's general counsel, make it

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<sup>51</sup> [Staff Summary, Steamship Authority](#), June 10, 2010. The proposed source code license agreement prevented the Steamship Authority from selling the code or giving access to unauthorized users, but allowed the Steamship Authority to modify the code for its own use.

<sup>52</sup> Invoice, Steamship Authority, May 31, 2011.

<sup>53</sup> [Amendment to Software License Agreement](#), June 28, 2024.

<sup>54</sup> The agreement states "This license fee is for the Licensee's unconditional rights to modify and use the Software in any way they should require. This license fee is for the full rights of the Software product and not for specific support services." In an interview with the OIG, the General Manager stated that the agreement was an amendment of the existing support services contract with Saber. It is the position of the OIG that the \$350,000 fee was express consideration for licensing rights and requires Board approval.

clear that both contracts permitted access to and modification of the reservation system's source code. The Authority's poor recordkeeping prevented it from recognizing a license for which it paid \$35,000.

**Finding 4: The Steamship Authority handled federal funds irresponsibly, first by failing to establish clear and appropriate goals for its website redevelopment project, and then by missing federal grant requirements.**

From the inception of the website redevelopment project, the Steamship Authority sought to use federal funds as reimbursement for 80% of the project's costs. Yet the Authority did not establish clear goals or timelines to guide the use of the federal reimbursements it requested. Instead, it requested reimbursements for projects with very general descriptions, without more specific fund allocation to ensure they would be applied appropriately. This led to a cycle of extending work on the increasingly over-budget project due to fear of losing the promised reimbursement if the project was to be shut down. After requesting federal funds for its website redevelopment project, the Steamship Authority demonstrated a general carelessness for the requirements and deadlines surrounding these funds.

In April 2020, shortly after the Steamship Authority determined that it would start looking into soliciting proposals for the redesign of its website, the Steamship Authority's treasurer submitted applications to MassDOT to reserve federal Ferry Boat Funds for the following projects: Reservation System Hardware (\$700,000), Reservation System Hardware & Redundancy (\$200,000), Mobile Web Application (\$750,000), and Redesigned Website (\$1,250,000). The first item was intended to fund physical equipment for a hardware upgrade to the reservation system and the second was intended to pay for handheld ticket scanners. The last two items would ultimately fund ADK's work on the website project.<sup>55</sup>

On September 22, 2020, MassDOT and the Steamship Authority signed an agreement outlining the terms of these four projects and MassDOT's oversight. The Steamship Authority would pay for the projects out of capital funds, and receive 80% reimbursement from the Federal Highway Administration, passed through MassDOT. The agreement states that the Steamship Authority will "provide documentation to [MassDOT] evidencing that it is suitably equipped and staffed to undertake and manage the [project]," and requires the Steamship Authority to "present monthly progress bills of the costs incurred under the procurement contracts, for approval and payment by [MassDOT]."

On September 23, 2020, the General Manager emailed a MassDOT engineer asking, "In light of this being essentially an equipment purchase are there any other procedures we need to follow before proceeding?"

The Steamship Authority's failure to establish clear goals and timelines for the federal funds it requested led to a cycle of extending work on the increasingly over budget project, due to its fear of losing the promised reimbursement if the project was to be shut down.

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<sup>55</sup> In an interview with the OIG, the General Manager stated he was unsure of the order which he learned about funding for the website project. He did not know if he was aware of the availability of federal funds when presenting the plan for a website project to the Board in February 2020.

The MassDOT engineer responded, “We still need to execute the agreement. That may take a couple of weeks.”

The next day, on September 24, the engineer sent a follow-up email which stated that “**Work must not be done without an approved Agreement/Contract** [emphasis added].”

On November 30, 2020, MassDOT approved a Notice to Proceed,<sup>56</sup> listing a completion date of September 30, 2022.

On December 29, 2021, the Steamship Authority’s treasurer sent MassDOT a reimbursement request<sup>57</sup> for \$353,802 for invoices ascribed to the Reservation System Hardware component of the project. On January 10, 2022, a MassDOT administrator responded that **the identified costs were all incurred before the Notice to Proceed was issued and thus could not be reimbursed**.<sup>58</sup> The Steamship Authority ultimately paid \$353,802 for the reservation system hardware out of capital funds instead of through the expected reimbursement.

Further, on August 19, 2022, a MassDOT official emailed the Steamship Authority that the FHWA had asked why no charges had been made on the website project, when the contract would expire on September 30, 2022.<sup>59</sup> Four days later, the Steamship Authority’s treasurer submitted a reimbursement

When the Steamship Authority requested reimbursement for \$353,802 in invoices for the Reservation System Hardware component of the project, MassDOT responded that these costs could not be reimbursed because they were incurred before the Notice to Proceed.

request to MassDOT<sup>60</sup> for \$1,070,152.94 for the website and mobile app project. Two days after that, the General Manager submitted a request to MassDOT<sup>61</sup> to extend the deadline for the project from September 30, 2022, to June 30, 2025. MassDOT passed the request on to the FHWA, and the FHWA granted the extension, despite the fact

that the agreement required the Steamship Authority to submit requests for extension at least 60 days before the expiration date.

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<sup>56</sup> Notice to Proceed, MassDOT, December 2, 2020.

<sup>57</sup> Reimbursement Request, Steamship Authority, December 29, 2021.

<sup>58</sup> A funding request for the reservation system hardware from the Steamship Authority’s IT director is dated September 16, 2020 and was approved at the September 22, 2020 Board meeting. In an interview, the General Manager stated the hardware was needed then so it could be installed before the January 2021 Head Start reservations.

<sup>59</sup> It is unclear the degree to which MassDOT failed to meet their responsibilities regarding the federal Ferry Boat Funds. The grant agreement required the Steamship Authority to submit monthly progress bills for costs incurred on the project, but it is clear that no bills had been submitted as of late August 2022. MassDOT apparently did not follow up with the Steamship Authority until contacted by FHWA.

<sup>60</sup> Reimbursement Request, Steamship Authority, August 30, 2022.

<sup>61</sup> Extension Request, MassDOT, September 8, 2022.

Other uncertainties surround the Steamship Authority's ultimate use of the Ferry Boat Funds. On June 18, 2025, MassDOT approved an amended reimbursement request and rescope of the project.<sup>62</sup> In an interview with the OIG, the Steamship Authority's treasurer stated that MassDOT has approved use of the unclaimed hardware reimbursement funds for hardware costs associated with the Steamship Authority's new reservation system.

In September 2025, the Steamship Authority filed a reimbursement request for \$383,338.37 for invoices associated with the website project. In an interview with the OIG, Steamship Authority officials said that MassDOT is still determining whether final reimbursement can be approved if the website is not in public use.

Both of these examples further show how the Steamship Authority's undisciplined behavior with federal funds in some cases has led to the Steamship Authority's loss of funds. In all cases, requesting large sums of money without a disciplined, studied, and itemized plan for how this money will be used is likely a recipe for the waste of public money.

In an interview with the OIG, the Steamship Authority's treasurer acknowledged that the use of federal funds played a role in the Authority's decision to continue working on the website project, rather than shelving it, even as it experienced difficulties integrating with the reservation system. The Steamship Authority was concerned that it would need to return the awarded funds if it did not finish the website project. The treasurer further admitted that if the Steamship Authority knew about the reservation system's problems at the website project's inception, it probably would not have applied for federal reimbursement.

The Steamship Authority's treasurer acknowledged that the use of federal funds played a role in the Authority's decision to continue working on the website project, rather than shelving it.

The Ferry Boat Funds application tied the Steamship Authority to the website project when the reservation system needed to be replaced. While MassDOT correctly denied the Steamship Authority's request for reimbursement for projects started before receiving a Notice to Proceed, MassDOT's position concerning recent reimbursement requests is overly complacent. The website is currently shelved, and further reimbursements should not be approved until the website is publicly operational.

**Finding 5: The Steamship Authority's failure to properly scope the website project to account for work on APIs led to significant delays and change orders, and wasted public funds.**

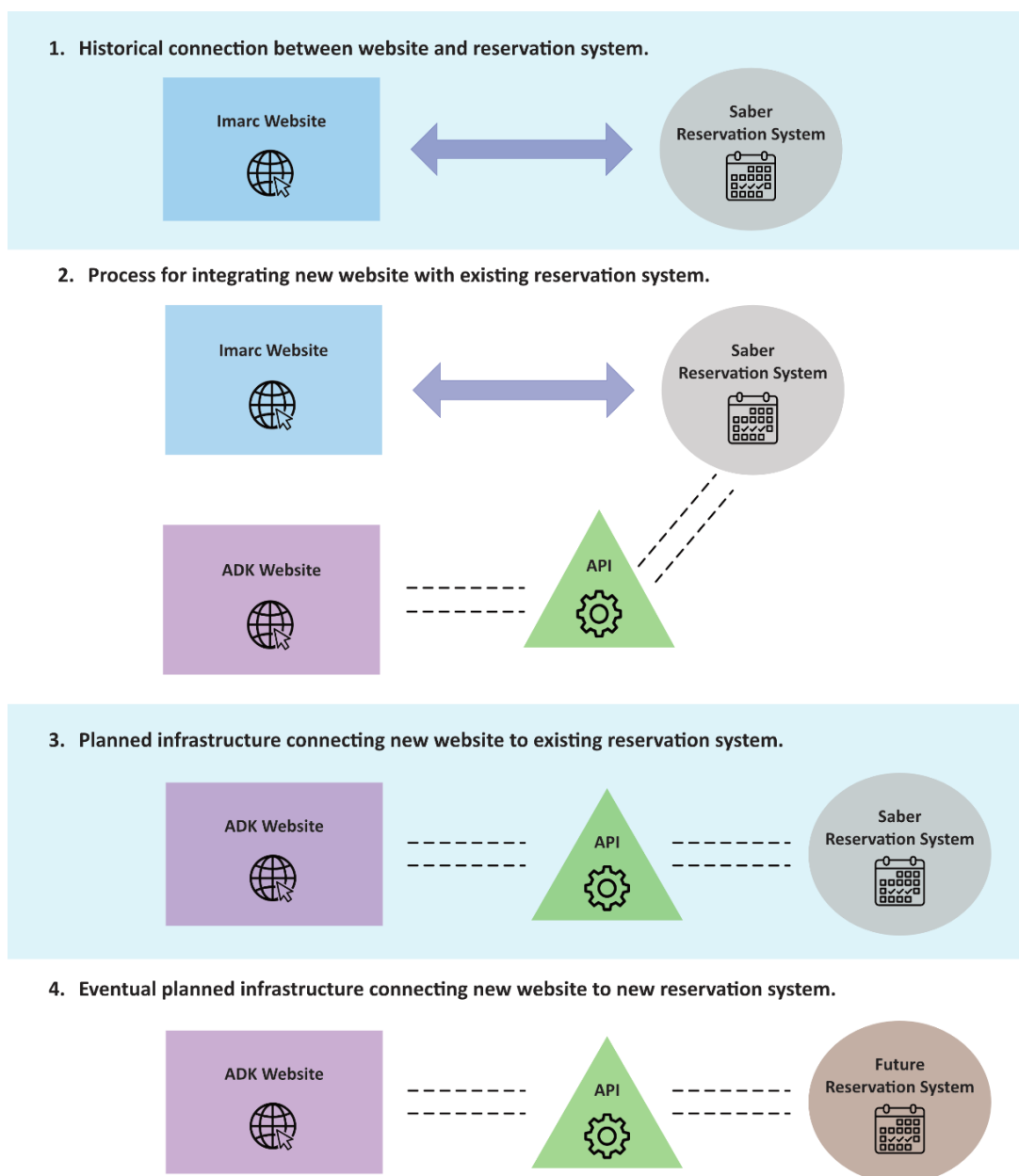
Steamship Authority officials failed to consider the implications of creating a new website that would connect to the existing reservation system, which the Authority knew or should have known was at risk per HMS Consulting's 2018 report.

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<sup>62</sup> Agreement Amendment, MassDOT, June 18, 2025. The rescope of the project added a separate capital works project, the construction of two vehicle transfer bridges, to the federal Ferry Boat Funds agreement.

When designing the website project RFP, Steamship Authority officials determined that a new website could connect to the existing reservation system through application programming interfaces (APIs), and that their own IT staff would be capable of creating those APIs. Indeed, the reservation system’s operator had no input in drafting the RFP. That this determination proved to be incorrect resulted in the waste of millions of public dollars.

**Figure 4. The Steamship Authority’s Plan to Integrate Website and Reservation System.**



The figure represents the Steamship Authority’s plan to integrate ADK’s website with Saber’s reservation system using APIs, and eventually to replace the reservation system using the same API infrastructure. However, due to recurring technical difficulties the Steamship Authority never achieved Step 3 of the process and continues to use Imarc’s website. Additionally, members of the Board and the OIG are skeptical that the APIs built for the ADK website will be compatible with the future reservation system.



The RFP required the website to integrate with the reservation system via API. An addendum to the RFP contained vendor questions and the Steamship Authority's responses. One of the questions in this addendum was, "Are there any performance concerns with any of the existing 'Dynamic Data Feed Integrations' APIs that we should be aware of when making a website/CMS platform proposal?" The Steamship Authority's response to the question was, "None at this time." The addendum also confirmed that the Steamship Authority would build the reservation system's APIs. Both of these assumptions proved to be incorrect and costly.

Steamship Authority officials and ADK employees both agree that the API section of the RFP was under-scoped. In response to the OIG's question as to whether the RFP adequately addressed the API requirements, the General Manager said, "In hindsight, clearly it didn't." ADK's project manager stated that ADK did not anticipate having to work on the reservation system's APIs.

Instead, ADK found that the APIs were "non-existent" in the form described in the project's RFP. In a memo accompanying Change Order #8, ADK's project manager noted that its IT team "needs to rework the API endpoints in order to ensure that the ticket book payments are being applied correctly at checkout to resolve issues that were found," as well as ensure "that the API to retrieve eFerry tickets for logged-in and logged-out users alike is working as intended."

ADK's work on the website was substantially delayed because it did not understand the extent of the API-related problems. An ADK engineer compared working on the website while the APIs were being developed to "building a plane as they were flying it." The engineer said ADK employees frequently found bugs in the APIs during the quality assurance phase of their work, which required them to go back and do "detective work." A former Steamship Authority IT director stated that the most significant problems they encountered when attempting to develop the APIs could be traced back to the reservation system.

The API work led to significant additional costs. For example, Change Order #9 for \$288,000 identifies "additional development work to complete the Application Programming Interface (API) that serves as the bridge between the Authority's reservation system and the website" as a factor in delays.<sup>63</sup>

A former Steamship Authority IT director stated that the most significant problems they encountered when attempting to develop the APIs could be traced back to the reservation system.

The Steamship Authority failed to adequately scope the project despite warnings from HMS Consulting's 2018 analysis on the fragility of Saber's reservation system, and due to the General Manager's failure to engage the technical expertise appropriate for a technology-heavy project. Taking these early warning signs and failures into account, the OIG believes that the General Manager was incorrect in characterizing this failure as something that was only clear "in hindsight."

The Steamship Authority treasurer stated that E-Dea SpA's new reservation system can use a different model to connect to the website and that the Steamship Authority "does not want to tie old APIs

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<sup>63</sup> Steamship Authority Change Order #9, June 28, 2023.

into the new website.” When the OIG asked what this implies for the API work which ADK and the Steamship Authority performed during the website project, the Steamship Authority’s treasurer acknowledged, “It’s possible that work will not be used in the end.” Taking into account the high likelihood that the Steamship Authority will not end up using this API work, it is highly likely that the Authority wasted significant sums of public funds, collectively in the amount of several million dollars.

**Finding 6: Steamship Authority officials underestimated how long website development would take, despite warnings that their proposed timeline was unrealistic.**

When Steamship Authority officials released an RFP for the website and mobile app project, they proposed a timeline of 12 months. Imarc, the company that created and maintains the Steamship Authority’s current website, responded to the RFP and proposed a 21-month timeline, with the following explanation:

*Based upon our deep understanding of the complexity of the project and underlying business systems, and the needs of Steamship’s important stakeholders, we recommend that you expand the project timeline to 21 months. We realize that this may not be desirable but we view this as beneficial for setting realistic expectations. This is a substantial project that incorporates a complex ticketing/reservation system, a subdomain/informational site, plus two platform specific mobile applications.*

The Steamship Authority should have known to expect a lengthier process. Imarc’s CEO told the OIG that the Steamship Authority’s previous website development RFP, in 2010, also failed to adequately prepare the company for the complexities of the Steamship Authority’s system and the reservation system in particular. The General Manager admitted that he underestimated the scope of the project and that Imarc’s prediction may have been more accurate. The General Manager also stated the reason for the underestimation was the switch in methodologies from direct communications with the reservation system to an API communications model. While Steamship Authority leadership may have underestimated the difficulty of the switch, they were well aware of the reservation system’s issues as enumerated in the 2018 HMS Consulting report, and their failure to take these limitations into account is one of poor decision-making instead of mis-scoping.

**Finding 7: The Steamship Authority’s replacement of its credit card processing system without planning ahead and seeking Board approval led to delays and cost overruns.**

From the early 1990s through 2022, the Steamship Authority’s credit card processing was managed by a single operator. This operator handled “front end” work, connecting Steamship Authority systems to the credit card transaction company Fiserv/First Data, and was the only person performing these duties when the Steamship Authority began searching for a new credit card processing system. Similar to the reservation system, for nearly 30 years the Steamship Authority relied on a single individual to provide a crucial service without a plan for transition.

The RFP for the website and mobile app project, released in 2021, states, “Credit card processing will be handled by the Steamship Authority’s existing credit card transaction processor.”<sup>64</sup> The Steamship Authority had not discussed plans to replace the credit card processor and did not expect credit card processing to affect the website project.

In 2022, however, after the Steamship Authority procured ADK’s services for the website project, the Authority switched to a major credit card processing company, Eigen, by signing a Merchant Services Agreement with Martha’s Vineyard Savings Bank (MVSb). The Steamship Authority had an existing banking relationship with MVSb. The Steamship Authority made this change without an RFP; according to the treasurer, MVSb suggested that the Authority switch to Eigen to better comply with new security standards.

The reservation system’s operator, as well as an ADK engineer, both agreed that integrating Eigen into the website had a major adverse effect on the website development project. Change Order #5, for \$368,962, stated that delays involving Eigen were the largest factor in that change order.<sup>65</sup> The Steamship Authority’s decision to change credit card processors took place without consideration of the potential impact on the website project. The Steamship Authority also switched to Eigen without adhering to other best practices for major procurements, such as seeking the Board’s approval and conducting a process to determine whether other processors offered better value. While the Steamship Authority’s credit card processing system was indeed in need of an upgrade, implementing this upgrade without preparing its website vendor for such a significant change led to substantial delays and cost overruns.

The Steamship Authority’s poor planning in replacing its credit card processing system is yet another example of its leadership’s failure to understand the systems the Authority was using, the interrelationships of these systems, and the basic principles of project management.

### III. Project Management Failures

**Finding 8: The General Manager appointed an unqualified Project Manager and failed to give him necessary resources.**

The General Manager appointed the Steamship Authority’s communications director to serve as Project Manager for the website development project, despite his having no IT or project management experience, and only removed him after a year of delays and cost overruns of more than \$800,000.

While serving as Project Manager for the website, the employee was expected to maintain his full-time duties as communications director. The Project Manager told the OIG that he was working 60 hours a week and was experiencing difficulties fulfilling both jobs. This dual responsibility led to a breakdown in duties, such as canceling meetings for one role when a crisis occurred in the other. The

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<sup>64</sup> Request for Proposals, Steamship Authority, June 1, 2021.

<sup>65</sup> Steamship Authority Change Order #5, November 11, 2022.

General Manager did not give the Project Manager a list of priorities or instruction or training regarding his responsibilities in the management role.

The Project Manager said he never had a conversation about his difficulties with the General Manager, stating specifically that “this is not an organization that has a culture of that happening.” When asked why the Project Manager maintained his communications director duties, the General Manager said, “We have a lot of people that have a heavy load with different things going on.”

The Project Manager failed to recognize the complexity of the problems which arose in the website development project and inaccurately assessed the extent of the delays those problems would cause, as attested to by numerous ADK and Steamship Authority employees. The Steamship Authority’s treasurer said that the project had good intentions but bad project management. The Steamship Authority’s IT director said that the Project Manager set deadlines for beta tests that should not have been set and were constantly missed. An ADK engineer stated that the Project Manager struggled to coordinate timelines, was late on deliverables, did not manage engineers well, and did not really “have his full finger on the pulse of things.” In short, the project suffered from delays and mismanagement before the General Manager replaced the Project Manager with the Steamship Authority’s IT director in August 2023. The IT director, who managed the project until it was shelved, did so in addition to his otherwise full-time job responsibilities.

The General Manager told the OIG that he appointed the Steamship Authority communications director to manage the website project because the website contained a large amount of public-facing information and because the communications director was familiar with the Steamship Authority’s operations. However, as an employee with no significant technical or project management background, the communications director was a poor choice to manage a \$2 million website development project. The OIG believes that this decision, along with the decision to keep the Project Manager in this role as more than \$800,000 in change orders amassed, demonstrates the General Manager’s clear lack of understanding of what the project demanded, his failure to respond appropriately to developments in the project, and his overall poor management and leadership capacity.

**Finding 9: The Steamship Authority failed to establish a scope of work or cost estimate before hiring the Owner’s Representative, leaving the Authority vulnerable to excessive costs.**

In 2021, the Steamship Authority’s website redesign project committee hired Pierce-Coté Advertising and sister company Regan Digital Studio to “provide consulting, review, and technical writing support for the purposes of assembling an RFP / RFQ for The Steamship Authority’s website development project in the late Winter / early Spring of 2021.” The agreement lists a rate of \$250 per hour for an estimated maximum of 60 hours, equaling a maximum estimated value of \$15,000.

After the RFP was issued in 2022, the Project Manager told the Board that Regan Digital’s president was continuing to work on the website project and providing technical oversight as an “owner’s



representative.”<sup>66</sup> Despite Pierce-Coté’s original support agreement only containing a scope for RFP development, the Steamship Authority failed to create an additional agreement or redefine the scope for consulting services provided by the Owner’s Representative.<sup>67</sup>

The Steamship Authority ultimately paid \$130,000 to the Owner’s Representative for his work on the website project,<sup>68</sup> nearly nine times the original estimated cost for RFP consulting.

The Steamship Authority’s original procurement of Regan’s services was undertaken according to the Authority’s procurement policy. However, once the consultant’s role changed from the original contract, the Steamship Authority should have created a scope of work and cost estimate for the additional duties to clarify the Owner Representative’s role in managing the project. In addition, the Steamship Authority’s procurement policy contains the following provision:

(b) The General Manager also shall submit a report to the Members and Port Council on at least a monthly basis identifying all contracts whose amounts (whether actual or estimated) have increased by \$25,000 or more since the date of his or her last report. The report shall contain the following information with respect to each such contract:

- (1) the person to whom the contract was awarded;
- (2) the purpose of the contract;
- (3) the original amount of the contract;
- (4) the increased amount of the contract; and
- (5) the reasons for the increase in the amount of the contract

The OIG could not find any documentation suggesting that the General Manager provided these updates to the Port Council or Board.

**Finding 10: Steamship Authority officials prevented the Board’s informed project oversight by withholding critical documents and information from the Board and issuing misleading statements.**

Shortly after ADK initially proposed a change order for \$479,172 on October 3, 2022, the Owner’s Representative prepared a four-page analysis that criticized ADK’s failure to communicate “their concerns

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<sup>66</sup> Steamship Authority Meeting Minutes, May 26, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20220526.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20220526.pdf).

<sup>67</sup> In an interview with the OIG, the Owner’s Representative said his job was to listen to what ADK told the Steamship Authority and be a “gut check” about those communications.

<sup>68</sup> Website Budget, Attachment, Steamship Authority Meeting Minutes, November 28, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/2023\\_1128\\_board\\_meeting\\_public\\_packet.pdf](https://www-steamship-assets.s3.amazonaws.com/files/2023_1128_board_meeting_public_packet.pdf).

over delays that they claim were caused by Steamship Authority.”<sup>69</sup> ADK’s proposed change order would ultimately become Change Order #5, for \$368,962.

At the Board meeting on October 18, 2022, the Project Manager provided an update on the website project but did not mention ADK’s proposed change request or the Owner’s Representative’s analysis. Instead, the General Manager proposed a Post-Launch Support Agreement with ADK.<sup>70</sup> That agreement would pay ADK \$29,000 a month for 12 months, for a total of \$348,000 a year. The Board voted to table the measure until a later meeting.

The Project Manager presented Change Order #5 for a reduced amount of \$368,962 at the November 28, 2022 Board meeting, and the Board approved.<sup>71</sup> The Owner’s Representative’s memo criticizing Change Order #5 was not attached to the publicly available packet of Board documents.<sup>72</sup> Shortly thereafter, the Board approved the \$348,000 post-launch support agreement at its December 13, 2022 meeting.<sup>73</sup>

In an interview with the OIG, the Project Manager stated he did not think it was relevant for the Board to respond to the Owner’s Representative’s criticisms of the initial proposed change order, and that only the final version of a change order needed to be presented to the Board. The Project Manager also stated that he had a certain consideration for the ongoing working relationship with ADK.

In an interview with the OIG, the General Manager stated that the change order was not presented to the Board in October because the Steamship Authority was still negotiating with ADK. By contrast, the post-launch services agreement was fully negotiated and therefore ready for presentation to the Board.

The General Manager told the OIG that he “doesn’t know offhand” why the Owner’s Representative’s memo was not provided to the Board, as indicated in the public packet. The General Manager also said that the Board does get an expanded staff summary and supporting documents, and suggested that the memo may have been provided to the Board but not to the public. When the OIG asked if the supporting information and documentation for Change Order #5 should have been made

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<sup>69</sup> [ADK October 3, 2022 Change Order Request analysis](#), Regan Communications Group, October 12, 2022.

<sup>70</sup> Steamship Authority Meeting Minutes, October 18, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20221018.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20221018.pdf).

<sup>71</sup> Steamship Authority Meeting Agenda, November 28, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20221128.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20221128.pdf).

<sup>72</sup> Steamship Authority Board Meeting Agenda, November 23, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/2022\\_1128\\_board\\_meeting\\_public\\_packet.pdf](https://www-steamship-assets.s3.amazonaws.com/files/2022_1128_board_meeting_public_packet.pdf).

<sup>73</sup> Steamship Authority Meeting Minutes, December 13, 2022, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20221213.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20221213.pdf).

public once it was given to the Board, the General Manager replied the packets were too large and would not have been easily downloadable.<sup>74</sup>

Failure of Steamship Authority officials to provide the public, and possibly the Board, with the Owner's Representative's memo prevented adequate oversight of the change request. Oversight from the Board, which must approve all change orders of more than \$200,000, may have led to further negotiation over the price of Change Order #5. The criticisms that the Owner's Representative raised could have given the Board a different perspective when deciding to approve subsequent change orders. Steamship Authority leaders were more focused on avoiding criticism and maintaining relations with ADK than they were in facilitating oversight from the Board.

Steamship Authority leadership's failure to provide the Board with crucial information prevented it from exercising meaningful oversight over important decisions, such as approving change orders, and contributed to the overall dysfunction of the process.

Steamship Authority officials further provided misleading information to the Board.

For example, at the November 28, 2022 Board meeting, when explaining the circumstances surrounding Change Order #5 to the Board, the General Manager outlined the additional development work for APIs and changes to the reservation system needed to support new functionality. But the General Manager also told the Board that "those hurdles have largely been resolved, and development work is proceeding at a brisk pace," even though the API issues continued to delay the project until it was shelved in 2024.

In an interview with the OIG, a former ADK employee stated that the General Manager wanted to "control the narrative" of the website project and pointed to the difference between a highly critical memo from ADK accompanying Change Order #8 and the text of the order itself.<sup>75</sup> The former ADK employee stated that Steamship Authority officials intentionally wrote the change order to avoid the critical tone of the memo. The ADK employee explained that the vendor was unwilling to bring its concerns to the Board because taking positions contrary to the Steamship Authority's leadership could have endangered the project, as well as ADK's contract.

After a Board meeting in December 2023, the former ADK employee emailed the General Manager about his concerns that Steamship Authority officials were keeping the project's problems from the Board, further delaying the project:

*The root of our launch delays and cost overruns remains the backlog of work for your already stretched team. I am of the belief that it's in both of our best interests to be transparent with the Board on this matter. This would allow them to make an educated decision about establishing a proper funding and staffing level for your internal team, as*

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<sup>74</sup> It is unclear whether the Board received documents in open session that were not posted publicly, potentially violating the Open Meeting Law.

<sup>75</sup> For further discussion of Change Order #8, see Finding 13, *infra*.

*well as for 3rd party service providers like us. The longer we continue to not share the reality of the situation with the board, the longer you and I will continue to find ourselves together in this vicious and toxic cycle.*

In an interview with the OIG, the General Manager said he disagreed with that assessment and that ADK wanted to make a direct appeal to the Board to get additional funding for the project. Steamship Authority officials also disagreed with ADK's assessment, claiming that ADK was responsible for holding up the project. Regardless of which party was more to blame for project delays, the Steamship Authority's practice of withholding critical details from the Board contributed to the dysfunction of the process and prevented the Board from making informed oversight decisions. It appears to the OIG that Steamship Authority leadership considered dollar value when deciding what information to present to the Board, but did not consider what information would keep the Board appropriately up to date on major project issues.

**Finding 11: Project delays caused the Steamship Authority to spend additional amounts totaling more than \$600,000 on contractors and services.**

In an interview with the OIG, the General Manager stated that the Steamship Authority hired additional outside consultants to help move the website project to completion in response to project delays. Two particular expenses clearly arose from these delays.

First, in July 2024, the Steamship Authority hired IT consultant IntraSystems, LLC under a state blanket contract to perform "stress and performance testing along with a platform evaluation of the new Steamship Authority website."<sup>76</sup> The request noted, "This new platform has not been deployed to production and there remains concern over performance, security and integration ... The Steamship Authority plans to launch this new platform in early June and efforts to evaluate both the application platform and its performance must work for this timeline to be realized." Had the website project remained on schedule, this expense of \$155,000 would not have been necessary.

Second, in October 2024, the Steamship Authority officially shelved the website project. To ensure the existing website was kept up and running, the Board approved a \$133,250 contract with Imarc, the existing website vendor, to run from October 2024 to February 2025.<sup>77</sup> In February 2025, the Board approved a \$258,300 contract with Imarc for similar support services, to run from April 2025 to December 2025.<sup>78</sup> In November 2025, the Board approved a \$120,000 contract with Imarc for further support services, to run from January 2026 to December 2026. Had the website project been completed as planned, this support, totaling \$511,550, would not have been necessary.

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<sup>76</sup> Staff Summary, Steamship Authority, April 18, 2024.

<sup>77</sup> Staff Summary, Steamship Authority, October 10, 2024.

<sup>78</sup> Staff Summary, Steamship Authority, February 6, 2025.

## IV. Oversight Failures

**Finding 12: Some Board members had an unclear understanding of their oversight responsibilities, leading to the Board’s failure to adequately monitor the Steamship Authority’s decisions throughout the website project.**

Although the five Board members are unpaid, the role comes with perks such as free ferry tickets and reserved parking for themselves and their spouses and children.<sup>79</sup> Members are appointed by local government bodies – for example, the Nantucket Board member is appointed by Nantucket county commissioners. As a result, Board members hold some amount of prestige in their local communities. This provides stability but also contributes to stagnation. A desire to continue serving on the Board may in many instances create circumstances in which Board members are given little incentive to disagree with any of the Steamship Authority’s decisions. One member has served for 13 years, and was appointed after his father, who previously held the seat, passed away; and another member has served for ten years and was first appointed to fill the seat held by her father, who passed away in office.

Some Board members do not appear to understand their oversight role. In an interview with the OIG, one member stated that he represents the interests of island residents when making Board decisions, but also that he represents the Steamship Authority to the public, which seem to be conflicting priorities. One member told the OIG that some of the older Board members view themselves as the “ambassadors” of the Steamship Authority, and as a result did not perform oversight. This member explained the Board’s attitude as one of approving management’s recommendations instead of taking its own initiative, or questioning or challenging management’s recommendations and proposals.

This lack of definition in the role that the Board plays in the Steamship Authority’s decisions has permitted Steamship Authority officials to control the agenda, despite the clear wording in the Steamship Authority’s bylaws that the Board members “have charge of and supervise the management, operation and direction of all business and affairs of the Authority.” In an interview with the OIG, one member stated that the Board generally only learns what the discussion topics for their next meeting will be when they receive the agenda from the Steamship Authority. Until recently, the General Manager took the lead in developing the Board’s meeting agendas.

### Not Rocking the Boat

While Board members are unpaid for their oversight role, they enjoy perks such as free ferry tickets for themselves and certain family members, and reserved parking, as well as prestige in their local communities. This unique form of compensation gives Board members little incentive to rock the boat in Steamship Authority operations.

In addition to the lack of definition of the Board’s oversight role, many Board members did not understand the scope of the website project. In an interview with the OIG, one Board member suggested

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<sup>79</sup> See Eunki Seonwoo, *Calls intensify for SSA term limits*, MV TIMES, May 7, 2025, available at <https://www.mvtimes.com/2025/05/07/calls-intensify-ssa-term-limits/>.



that some Board members did not understand that the reservation system was distinct from the website. In an April 2025 interview with the OIG, another Board member said that the reservation system project was on hold, despite there being an active RFP for a new reservation system at the time.

Without a clear understanding of the differences between the website and the reservation system, Board members were not equipped to provide oversight of the website project or to understand the issues which accumulated over the project's span. Two Board members told the OIG they pushed back on continuing the project after it continued to miss deadlines, but other Board members were not as concerned about the project's overruns or were unwilling to act. One Board member told the OIG that he felt the Board was "over a barrel" and had no choice but to approve the change orders.

None of the Board members could recall if the Board had specific discussions about certain major components of the website project, including the application for federal Ferry Boat Funds and the decision to switch credit card processors to Eigen. The Board does not appear to have sought more information when it became aware of these decisions. While the Board did ultimately push for an outside contractor to evaluate the Steamship Authority's IT capabilities when the General Manager would not admit that the Authority had significant IT shortfalls, in general the Board displayed a hands-off attitude in the decision-making process.

The Authority's bylaws state that members of the Authority "have charge of and supervise the management, operation and direction of all business and affairs of the Authority."

By failing to gather information about the project over which they had direct oversight, the Board members failed to fulfill their fiduciary duties, or indeed to even demonstrate that they understood what these duties are.

### **Finding 13: The Steamship Authority's procurement policy undermines the Board's oversight responsibilities.**

The OIG found that the Steamship Authority's procurement policy, which requires that the Board approve change orders based on the value of the good or service, allows the Steamship Authority to authorize change orders without Board approval which otherwise significantly affect the project. The Steamship Authority's procurement policy also does not require the Board to approve or receive notification of developments apart from change orders that will have a significant, yet indirect, fiscal impact on the Authority. The Steamship Authority accordingly approved numerous change orders and other developments for the website project without informing the Board, to the overall detriment of the project.

#### **A. Change Orders**

Under the Steamship Authority's procurement policy,<sup>80</sup> all change orders of more than \$200,000 must be approved by the Board. Change orders of less than \$100,000 may be approved solely by the

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<sup>80</sup> Procurement Policy, Steamship Authority, December 15, 2020.

General Manager, without Board discussion. If the change order is between \$100,000 and \$200,000, the General Manager may approve it but must also do the following:

1. Certify in writing that a delay in authorizing the change order to allow the Board members to consider it at their next regular meeting would adversely affect the progress of the work being performed under the contract;
2. Provide a copy of the certification to the Board prior to its next regular meeting; and
3. Provide an oral report on why the change order is needed at the Board's next meeting.

The website project saw nine total change orders. Three of those – Change Order #5, involving \$368,962; Change Order #7, involving \$165,200; and Change Order #9, involving \$288,000 – were presented to and approved by the Board.

Change Order #4,<sup>81</sup> which shifted the proposed website launch date from November 7, 2022, to March 15, 2023, was not officially presented to the Board, but the date change was announced to the Board.

Change Orders #1,<sup>82</sup> #2,<sup>83</sup> #3,<sup>84</sup> #6,<sup>85</sup> and #8<sup>86</sup> were not presented to the Board.<sup>87</sup>

Change Order #2 shifted invoice payment dates. Change Orders #1, #3, and #6 involved the selection of technology platforms for the website. In an interview with the OIG, the Project Manager said that those selections would ultimately affect the Steamship Authority's operating budget when the website was launched but would not affect the cost of the website project itself.

Change Order #8<sup>88</sup> merits particular attention. Submitted in April 2023, Change Order #8 extended the website launch date to May 31, 2023, set a new date for post-launch support services, and altered the scope of ADK's work without adding to the project's cost. The change order also contained a note attributing the deadline extensions to "ongoing delays caused by Customer's IT Team's progress on specific tasks."

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<sup>81</sup> Steamship Authority Change Order #4, August 25, 2022.

<sup>82</sup> Steamship Authority Change Order #1, March 31, 2022.

<sup>83</sup> Steamship Authority Change Order #2, March 31, 2022.

<sup>84</sup> Steamship Authority Change Order #3, August 25, 2022.

<sup>85</sup> Steamship Authority Change Order #6, December 5, 2022.

<sup>86</sup> [Steamship Authority Change Order #8](#), April 19, 2023.

<sup>87</sup> While these change orders were not formally presented to the Board, some of the information they contained was presented. For example, the general substance of Change Order #1 and Change Order #6 were both presented as part of monthly updates.

<sup>88</sup> Steamship Authority Change Order #8, April 19, 2023.

Furthermore, attached to Change Order #8 is a memo from ADK explaining that the Steamship Authority's IT team had not completed 14 critical tasks and pushed back deadlines for those tasks 59 times. ADK's memo describes the significant problems causing delays:

1. "IT Infrastructure that is even more outdated and misaligned with the complexities of the Steamship Authority's business model than anyone expected."
2. "A lack of technical project management personnel within the IT department to organize complex technology and infrastructure work."
3. "If we were not reliant on the IT team to launch the website, we would be prepared to guarantee a launch date on May 1<sup>st</sup>. However, the progress of the IT team is not under our control... Therefore, we cannot guarantee a launch date."

The memo states that ADK will commit more resources to the project's development in exchange for reducing their commitment to post-launch website audit services required under the original contract, ultimately providing an uncompensated value of \$103,000 to the project.<sup>89</sup>

In an interview with the OIG, the General Manager said that Change Order #8 was not presented to the Board because the \$103,000 figure did not represent a cost increase to the project. However, Change Order #8 clearly identifies a significant change in work required for the project as well as a delay of the completion date. And both the change order and ADK's memo attribute those delays to issues with the Steamship Authority's IT department, which the Board oversees.

In an interview with the OIG, the General Manager said that "we are not hiding anything" from the Board and that Steamship Authority staff gave updates to the Board on the website project every month. But the minutes for a Board meeting held on March 29, 2023,<sup>90</sup> two days after ADK submitted its memo, show that the Steamship Authority took pains to avoid transparency:

*The Steamship Authority and [ADK] have been reviewing the tasks left to do prior to beta launch and have determined that moving the launch to late May is the best way to deliver a superior experience to the Authority's customers. Both teams have been working extremely hard, but properly integrating the many interconnected systems that run the Authority's business operations is a complex process that needs to be done right. [ADK] is committing additional engineer and developer hours to the extended effort at no cost to the Authority.*

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<sup>89</sup> The memo states ADK will provide a "value" of \$55,000 in engineering work and a "value" of \$96,000 in full teamwork over the next two months, without charging the Steamship Authority. The memo also reduces the amount of post-launch website audit services in the original contract 90 to 60 days without altering payment for that work, which the memo says will provide \$48,000 in "value" to ADK. The memo states that when that final milestone is concluded, ADK will "transition to work" under the post-launch support services agreement.

<sup>90</sup> Steamship Authority Meeting Minutes, March 29, 2023, available at [https://www-steamship-assets.s3.amazonaws.com/files/ssa\\_minutes\\_public\\_session\\_20230329.pdf](https://www-steamship-assets.s3.amazonaws.com/files/ssa_minutes_public_session_20230329.pdf).

The Steamship Authority appears to have taken pains to avoid transparency with the Board when it came to technical issues the Authority and ADK were experiencing.

This report to the Board does not disclose ADK's concern that the Steamship Authority's IT team is not able to develop the APIs. Nor does it even reflect the information contained in Change Order #8, identifying delays from the Steamship Authority's IT team. Taking this information into account, the OIG finds the Steamship Authority's characterization of the project status in terms such as "superior experience" and "at no cost to the Authority" to be inaccurate and misleading. Providing the full information in Change Order #8 could have prompted the Board to investigate the IT department's performance as part of its oversight of the contract. Furthermore, in June 2023, the Board approved a final change order, Change Order #9, for \$288,000. It is impossible to know whether the Board would have chosen not to approve Change Order #9 if it had received the information from Change Order #8, but that information would have given the Board important context for understanding and overseeing the final change order.

The Steamship Authority's procurement policy permitted officials to choose not to disclose change orders that significantly delayed the project timeline, contributed to consequential expenses in excess of \$500,000, and revealed shortcomings of the Steamship Authority's IT team. In order for the Board to effectively fulfill its oversight role, the Board should approve all change orders that significantly affect the project and should be informed of all significant details concerning a major project, including all change orders.

## **B. Other Project Developments**

Apart from change orders, the Steamship Authority's procurement policy does not require the Board to approve or receive notifications of other significant project developments. The Steamship Authority made several major decisions which affected the trajectory of the website project without any oversight at all by the Board. Three examples are presented below:

First, the Steamship Authority's application for federal Ferry Boat Funds was not announced to the Board until it had already been submitted to MassDOT and approved. By that time, Steamship Authority officials were already well under way preparing an RFP for the website project. There is no prior record of the grant request and subsequent correspondence being presented to the Board or the Port Council. By not bringing the federal grant request before the Board or Port Council, Steamship Authority officials avoided an opportunity for oversight of the project's primary funding source. Additional oversight of the funding request may have led Steamship Authority officials to develop a strategic plan or to address HMS Consulting's 2018 recommendation to overhaul the reservation system.

Second, despite credit card processing charges accounting for more than \$2 million a year, the General Manager stated that the Steamship Authority was not required to issue an RFP to switch over to Eigen's credit card processing services, because those services were part of the ongoing banking relationship with MVSb. As a result, the Board was only notified of the change after the fact. The OIG disagrees with the General Manager's failure to inform the Board of the change beforehand. In an

interview with the OIG, the Steamship Authority's treasurer stated that he "did not have an answer" for why the change was not presented to the Board. Ultimately, the switchover to Eigen without proper planning or approval had a significant negative impact on the website project.

Third, in 2024 the Steamship Authority approved the \$350,000 agreement to purchase the rights to Saber's source code without presenting it to the Board or getting Board approval. The General Manager stated that this agreement was not presented to the Board because it was an adjustment of an ongoing contract for support services, despite the agreement specifically indicating payment for the source code rather than support services. When the OIG asked the General Manager if the agreement should have been presented to the Board as an update that pertained to the ongoing website project, which had become increasingly contentious, the General Manager replied, "When you put it like that of course it sounds like it should have been, but we looked at it as an addendum to an existing contract."

## v. Red Flags Continue

### **Finding 14: The Steamship Authority has not learned from its experiences during the website project and is maintaining poor practices for future projects.**

As of December 2025, the Steamship Authority has a website produced by ADK which has been shelved, a contract with E-Dea SpA to produce a new reservation system, and a hiring agreement with a new general manager. But many issues exposed by the website project remain.

Steamship Authority officials told the OIG they believe the website is salvageable and will work with the incoming reservation system. The OIG is skeptical of this claim, specifically that the work to connect the new website with the old reservation system can be repurposed to connect the website to the new reservation system. The OIG is also concerned that the Steamship Authority is clinging to the new website's viability out of fear that if it does not work, the Authority will have to return the federal reimbursement it received for the project. The Authority may be tying itself to an out-of-date system instead of moving forward.

It is also unclear how the Steamship Authority has changed its project management practices for oversight of the reservation system project. While E-Dea SpA appears to be a credible partner, the Steamship Authority needs to actively oversee and manage a project that already has a price tag of nearly three times the initial amount of the website project.

Most concerning, the major drivers of the website project – the General Manager and the Board – are still playing and will continue to play prominent roles at the Steamship Authority. In September 2024, the General Manager announced he would resign his position in a year, kicking off the process to hire a new general manager, which has just concluded. In October 2024, the outgoing General Manager signed an agreement with the Board to serve as a senior advisor to the new general manager for up to 18 months.

The senior advisor agreement pays the outgoing General Manager at the yearly rate he received in his final year as General Manager: \$239,480. The language of the agreement largely mirrors the General



Manager's prior contract, giving him nearly identical benefits and significant compensation. If the Steamship Authority terminates the senior advisor's contract for any reason other than significant wrongdoing or misconduct, he will collect a full year's pay and buy-back benefits; and if the Steamship Authority reduces the senior advisor's "duties and responsibilities," he is able to resign and collect a full year's pay and buy-back benefits.

Those duties and responsibilities are described in an appendix to the agreement.<sup>91</sup> While the senior advisor will be under the direction of the incoming general manager, he will still be responsible for "the provision of high-level advice and comprehensive research to inform strategic decision making" playing a "lead role in researching and benchmarking to inform key strategic initiatives and projects," "create[ing] and implement[ing] complex strategic plans," and "lead[ing] the successful implementation of large projects, including seeking funding opportunities," among other duties.

In the past, the OIG has investigated deals in which publicly employed executives wrote their own contracts and post-employment agreements to their benefit and not to the best interest of the public (for example, the Mashpee Housing Executive Director). These agreements were approved with little to no oversight from the boards charged with performing due diligence and ensuring responsible spending of public dollars. It is unclear who presented the senior advisor contract and how much oversight the Board performed, but whether they did not realize its similarity with the previous General Manager contract and its duties and compensation, or did acknowledge the overlap in those regards, the same critical problems remain.

If the Board wanted to ensure continuity and the sharing of institutional knowledge via a senior advisor position, it could have delineated those roles in the contract. Instead, the Board agreed to give the outgoing General Manager significant responsibilities, ensuring his continued influence at the Steamship Authority, while paying him at the same rate he earned while serving as General Manager. If the Board approved the compensation of the outgoing General Manager at his current level with the intention that he perform transition-related duties, they did not perform their fiduciary duties.

Approving that level of compensation along with the job description's enumeration of responsibilities for high-level work suggests the Board is looking for the outgoing General Manager to play a prominent role at the Steamship Authority moving forward. The description lists seven "essential duties and responsibilities" for the senior advisor, with the first three involving strategic planning analysis, project management, and implementation of large projects. The other four duties involve building and sustaining internal networks, preparing work product, advising on planning, and acting as an "ambassador" for the Steamship Authority's Safety Quality and Management System.

It is unclear why the Board assigned the outgoing General Manager the first three duties as senior advisor, given his failure to execute them during the course of the website project. While these and the other four duties are to be performed "under the direction of the General Manager," their broad scope

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<sup>91</sup> See [Senior Advisor to the General Manager Job Description](#).

cannot help but overlap with the duties of the incoming general manager. Because the contract states that reducing the senior advisor's "duties and responsibilities" entitles him to resign and collect a full year's pay and buy-back benefits, the incoming general manager will not enjoy the advantages of receiving advice from a knowledgeable but hands-off former employee. Instead, his hands are effectively tied, and he cannot limit the role of the senior advisor and fully exercise his own abilities without the Steamship Authority making a costly payout. The OIG is troubled by this potential result.

**Finding 15: At a moment of significant change, the Steamship Authority is staying on a course that has undermined its credibility and encouraged public skepticism.**

The Steamship Authority has made attempts to address weaknesses in past practices, including hiring consultants from consulting firm Raftelis to help implement a new strategic plan. Hiring the first new general manager in a decade is a chance to make a clear break from past practices, but the Board and the outgoing General Manager are continuing to maintain an ill-determined course that is undermining the Steamship Authority's credibility within and without the organization.

This report provides examples showing how the current Steamship Authority leadership created a culture in which employees were not and are not encouraged to raise their concerns, but instead are expected to keep their heads down and their thoughts to themselves. The outgoing General Manager assigned a project manager already serving in a full-time role to take charge of the website project, despite that manager's lack of qualifications, and expected no one to question his decision. This attitude creates a workplace that is resistant to new ideas and healthy pushback.

Relatedly, under the outgoing General Manager officials presented the Board with information that was often overly optimistic and incomplete, on a need-to-know basis. Several Board members accepted this with little question or criticism, in effect endorsing this top-down and blinkered leadership.

This management style – compounded by the Steamship Authority's reservation system crashes, the mechanical and staffing issues resulting in delayed and cancelled trips, and the project delays and cost overruns of the website project – has made the public skeptical of the Steamship Authority. If the Steamship Authority did not travel on a route which includes the Cape and Islands, which have emerged over decades to become nationally and internationally sought-after summer destinations, the Authority would be in far worse shape reputationally. Nonetheless, the new general manager has work to do in building up the public's opinion of the Authority.

Restoring trust within the Steamship Authority and among its users are areas that the incoming general manager needs to address from day one, if the type of change envisioned and needed is going to occur. While he should not continue the top-down governance of the past, he should be empowered to set a new tone from the top. This will be difficult with the outgoing General Manager continuing to work at the Steamship Authority in a position of power, placed there by a Board that apparently sees value in his style of management and the results it has produced.

## FINANCIAL LOSSES

The Steamship Authority's mismanagement has cost the public millions of dollars. As shown in Figures 5 and 6 below, the Authority has already incurred over \$2.3 million in losses. If the website proves incompatible with the new reservation system and is never launched, potential losses could swell past \$4 million.

**Figure 5. Losses Due to Mismanagement.**

ADK and the Authority agreed to three change orders as the website project progressed. Had the project been completed on time and on budget, these costs would not have been incurred.	\$822,162
The Authority contracted with ADK for a 12-month post-website-launch support services agreement for \$348,000. The website never launched, and the Authority ultimately used the agreement to fund ADK's further development work. The agreement automatically renewed, and the Authority spent another \$145,000 before canceling the contract.	\$493,000
The Authority signed a \$155,000 contract with IntraSystems, LLC to "stress test" the unfinished website. The Authority also had to extend its contracts with the existing website's support vendor, Imarc, from October 2024 to December 2026 at a cost of \$511,550. While those services were and are being performed, had the website project been completed on time, additional stress testing and continued support for the existing website would have been unnecessary. <sup>92</sup>	\$666,550
The Authority was unable to confirm the existence of a 2010 contract with Saber Technologies under which the Authority paid \$35,000 to license the reservation system's source code. As a result of this poor contract management, the Authority signed another agreement in 2024 to license the source code for \$350,000. By not having the proper documentation in place, the Authority effectively paid for the license a second time at 10 times the price.	\$350,000
<b>Total losses due to mismanagement</b>	<b>\$2,331,712</b>

<sup>92</sup> The OIG is not suggesting that project vendors failed to perform as expected under their respective contracts. The OIG's view is that these expenses would have been unnecessary if the Authority had effectively managed the website project.

**Figure 6. Additional Potential Losses if Website Does Not Launch.**

The Federal Highway Administration (FHWA) approved reimbursements totaling \$3,017,051 for four Authority IT projects. Approximately \$2 million of the reimbursements were earmarked for a website and mobile app project. The Authority accordingly signed a contract for \$1,996,554 with ADK to develop the website and mobile app. Some Board members – as well as the OIG – believe the website may never be used with the new reservation system currently being built. In that case, the Authority may have to reimburse the FHWA for grants already received and could be ineligible for further reimbursements for a project that did not materialize. The OIG cautions the Authority against expending future dollars on the shelved website project as a means to avoid returning grant monies.	\$1,996,554
The Authority initially contracted with Regan Digital Studio to provide consulting services for the website’s procurement at a maximum value of \$15,000. Later, the Authority named the Regan consultant as the “owner’s representative” of the project itself, ultimately paying him \$130,000 in that capacity. If the Authority assigned a qualified project manager to the website project, the latter expense would have likely been unnecessary.	\$130,000
<b>Total additional potential losses</b>	<b>\$2,126,554</b>

Finally, as previously discussed, the Authority’s project mismanagement has resulted in missed opportunities for other federal reimbursements. In approving reimbursements for the Authority’s projects, the FHWA earmarked \$700,000 for reservation system hardware. The Authority applied for \$353,802 in reimbursements but was denied due to its purchase of the hardware before the agreement was in place. Although the Authority is working to apply the \$700,000 reimbursement allowance to the new reservation system being developed by E-Dea, the Authority paid the initial **\$353,802** expenditure out of capital funds, losing an opportunity for these dollars to be funded by a federal grant.

## RECOMMENDATIONS

As the OIG's findings demonstrate, the Steamship Authority's major technology procurement suffered gross failures at all levels. The Authority's neglect in project planning, management, and oversight allowed a \$2 million project to snowball to \$4 million in payments for a website that, as of this writing, has been shelved. The OIG accordingly offers a range of recommendations to address the multi-pronged problems that led to this result.

### **For the Steamship Authority administration – led by the incoming general manager, beginning January 2026**

The OIG recommends that the Steamship Authority administration take the following actions:

*Immediately* (within 30 days of the incoming general manager's start date)

1. **Review this report** and begin to address its recommendations.
2. **Ensure plans are in place for a smooth Head Start reservation opening** for the 2026 summer season.
3. **Assess the status of the active reservation system development project with E-Dea.** Confirm that the project is staying within its \$5.7 million budget and is on track for an on-time delivery in the fourth quarter of 2026.
  - a. Update the Steamship Authority Governing Board (Board) on the project status.
  - b. Clarify in writing the steps that are being taken to mitigate cost overruns and delivery delays.
4. **Clarify, as of the date of this letter, whether the new reservation system will be integrated** with the Steamship Authority's current website, its shelved website developed by ADK, or another website, and if any additional costs have been incurred during the website integration process.
5. **Regularly report to the Board:**
  - a. Ongoing costs associated with website integration with the new reservation system, including any costs associated with improving or updating the website;
  - b. Ongoing progress of website integration with the new reservation system; and
  - c. All work associated with the ADK website that has been deemed unusable while integrating with the new reservation system.
6. **Work with counsel to determine a path forward to address the double payment to Saber Technologies** in light of evidence suggesting the licensing was paid for twice (\$35,000 in 2010 and \$350,000 in 2024).



7. **Confirm that there are no active expenses or contracts for amounts that, per current Steamship Authority policy, should have received Board review and approval, but did not.** If any such expenses or contracts exist, bring the matter before the Board for direction on how to move forward.

*Within 60 days* of the incoming general manager's start date

8. **Assess and report on the status of any other active capital projects,** noting delays, cost increases from the original budget, and issues or concerns about the project.

*Within 90 days* of the incoming general manager's start date

9. **Develop and implement policies and procedures for effective project management** for all capital and operational projects – including active projects to the extent practicable – and require their application to all new projects.
  - a. At the outset of each project, document the required skills, experience, and training for the project manager.
    - i. Document how the assigned project manager met such requirements;
    - ii. Document the project manager's responsibilities and the project goals;
    - iii. Document deliverables, schedule, and budget; and
    - iv. Document reporting requirements and the parties to receive such reports.
10. **Revise and update procedures to clarify how the Board is to be fully engaged** to meaningfully provide governance oversight, including procurement awareness and votes, when necessary (*e.g.*, specify contract values or change order thresholds requiring board involvement).

*Within 6 months* of this report's issue date

11. **Develop and implement policies and procedures that ensure proper review of the scope and services of major projects** and related procurements, including scope and duties of the project manager.
12. **Develop and implement policies and procedures to monitor vendors, contracts, engagements, and statements of work (SOWs)** to ensure that they are completed on time and on budget.
  - a. Detail a process for requesting changes.
  - b. Ensure project changes are approved by the Board in advance as required.
  - c. Notify the Board of other changes if oversight is necessary, even in instances where Board approval is not required.

### *Longer term*

13. **Develop a project management division** with at least one individual who holds a project management certification and experience to be the lead project manager on any capital project. Ensure that managers of multi-million-dollar projects do not hold an additional job.
14. **Ensure that the strategic plan developed with Raftelis is referenced, utilized, and maintained**, in contrast to the ignored warnings of the HMS Consulting report.
15. **Conduct a postmortem on recent capital projects** to understand why projected costs and delivery schedules were inaccurate, including:
  - a. The purchase of offshore supply vessels and their related conversion into freight ferries;
  - b. The Woods Hole Terminal Reconstruction Project – water side; and
  - c. The Woods Hole Terminal Reconstruction Project – land side.

### **For the Steamship Authority Governing Board**

The OIG recommends that the Board take the following actions:

1. **Review the Enabling Act of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority** to understand the responsibilities of the Board, including its fiduciary obligations.
2. **Revise Board policies** to specify the matters requiring notice to the Board, even where a vote might not be required. Include:
  - a. All change orders for capital projects when they are submitted by the vendor seeking the change, regardless of value;
  - b. All federal grant funding applications, prior to submission, unless the grant necessitates notice at the next opportunity to avoid missing the application deadline; and
  - c. All contract amendments, adjustments, or SOW changes within scope, with a value of more than \$100,000.
3. **Clarify with the newly appointed general manager** the Board's expectation of the interplay between his position and the soon-to-be-filled senior advisor role, keeping in mind the limitations set by the Board on the new general manager's ability to change the senior advisor role.
4. **Request a full briefing**, including delays, cost increases, unforeseen issues, and the best current cost and delivery date estimates, for the following projects:

- a. Reservation system project with E-Dea;
  - b. Woods Hole Terminal project; and
  - c. Converted freight ferry project.
5. **Require all Board members to take or retake the Boards and Commission course** offered by the OIG Academy within 60 days.

#### **For the Secretary of Transportation**

The OIG recommends that the Massachusetts Department of Transportation (MassDOT) take the following actions, understanding that while the Steamship Authority is governed by its own Board and generates its own revenues, MassDOT has a role in overseeing and authorizing the use of certain funding streams:

- 1. **Ensure that any pending reimbursement requests from the Steamship Authority to MassDOT are held** until the concerns surrounding the funds spent for the shelved website project are resolved.
- 2. **Conduct an audit of the Steamship Authority's reimbursements** and requests for reimbursement for compliance with federal *Ferry Boat Funds* requirements and relevant authorizations.
- 3. **Determine:**
  - a. Which of the federally sourced grant funds that the Steamship Authority has spent on the website project are at risk or need to be returned if the website project begun in 2022 is permanently shelved; and
  - b. The risk to the reservation system project if the shelved website project is restored and integrated with the new reservation system.
- 4. **Recoup any monies whose funding terms have not been met** by the Steamship Authority, including any monies reimbursed for the website project.
- 5. **Reassess MassDOT's approval of funding requests** to ensure that reporting and filing requirements are timely met.
- 6. **Ensure that the Steamship Authority is complying with the terms of all federal and state funding**, grants or otherwise, and is using funds for their intended purpose.
- 7. **Review the policies and procedures that MassDOT uses to oversee ferry grants** to determine if any need revision.

#### **For Legislative Leaders**

The OIG recommends that the Massachusetts Legislature take the following actions:

1. **Establish a Special Commission**, comprised of the Cape and Islands and New Bedford delegations, the Transportation Committee co-chairs, and others based on the findings of this report, to review the Enabling Act of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.
  - a. Determine whether the Steamship Authority's governance structure needs to be modified.
  - b. Ensure that the Board is performing appropriate oversight, keeping in mind that quasi-public entities have government responsibilities and obligations to be good stewards of public resources.
  - c. Determine if the roles of the Board and Port Council need to be clarified.
  - d. Make further recommendations regarding:
    - i. The Board, including its composition, selection, tenure, basis for selection, desired qualifications, responsibilities, and compensation, including "perks";
    - ii. The Port Council, including its composition, selection, tenure, basis for selection, desired qualifications, responsibilities, and compensation, including "perks";
    - iii. MassDOT; and
    - iv. The Cape Cod Commission.
  - e. Clarify the relationship between and among the Board, Port Council, and Steamship Authority leadership.

**For the Cape Cod Commission**

The OIG recommends that the Cape Cod Commission take the following actions:

1. **Review any oversight responsibilities** that the Cape Cod Commission may have to ensure compliance with funding requirements.



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