



The Commonwealth of Massachusetts
Office of the Inspector General

GREGORY W. SULLIVAN
INSPECTOR GENERAL

JOHN W. McCORMACK
STATE OFFICE BUILDING
ONE ASHBURTON PLACE
ROOM 1311
BOSTON, MA 02108
TEL: (617) 727-9140
FAX: (617) 723-2334

August 1, 2012

Robert L. Caret, President
University of Massachusetts
225 Franklin Street, 33rd Floor
Boston, MA 02110

Dear President Caret:

In the fall of 2010, the Office of the Inspector General (Office) received a complaint regarding the procurement of analytical services for the MassHealth Analytics Project (MHAP) by the University of Massachusetts Medical School (UMMS) Commonwealth Medicine Division (CWM). At the time, CWM had awarded a contract to a company named Accenture LLP (Accenture). As I conclude my term as Inspector General, I would like to bring this matter to a close. While there is an ongoing matter involving the activity of a MassHealth employee relating to this procurement, this letter addresses issues within the procurement process itself. I thank you for your assistance and attention to this serious procurement matter.

The procurement for this contract involved CWM's use of a statewide contract managed by the state's Operational Services Division (OSD), a method of contracting that was not commonly used by CWM. The method had been suggested by Accenture. This Office learned that CWM did not follow the rules of the statewide contract. The statewide contract called for the user, in this case CWM, to solicit three quotes from qualified bidders. CWM did not do this. UMMS' procurement rules require competitive bidding. It has been UMMS' contention that because OSD had conducted a competitive process for the statewide contract, PRF06, that OSD's process fulfilled UMMS' competitive bidding policy requirement. In discussions conducted with OSD, this Office learned that OSD requires all users of statewide contract to adhere to the rules associated with the statewide contract.

More troubling were emails between a staff member from CWM's Office of Compliance and Review (OCR) and UMMS's purchasing director. In response to a question in one of these, the OCR staff member states "I think it is only going to one vendor, but will look like it would go out to multiple vendors." Additionally, the actual solicitation repeatedly uses the plural when referring to potential bidders, firms, contractors, implying that it was available to multiple potential vendors. However, the solicitation

was only sent to Accenture. The Steering Committee members advising on the MHAP were also told that they would be meeting with multiple firms prior to procurement, but only met with Accenture. The clear perception garnered from these communications is that CWM intended to direct this contract to Accenture.

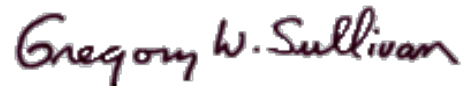
The contract also had a clause that allowed for additional services to be added on at the conclusion of the original contract. These additional services should be procured separately and Accenture should be made aware that the contract will not be extended.

The Office's review of this procurement has identified a deficiency in the way that services are procured, not only by UMMS, but by the University of Massachusetts system as a whole, in regards to use of statewide contracts. In order to correct this deficiency, the University of Massachusetts must ensure that all campuses and procurement officials are aware of how to properly procure services from the statewide contract. When using the statewide contract, members of the University of Massachusetts system must follow the rules established for each contract by the Operational Services Division. The University of Massachusetts system should revise its procurement manual to reflect this understanding.

It is my understanding that the University of Massachusetts has already taken steps to educate the procurement personnel on each campus as to the proper use of statewide contracts. I have also been informed that CWM does not plan to extend the contract with Accenture for further services. These actions will not only ensure that proper protections are in place, but also assist in eliminating the appearance of impropriety in future procurements.

I appreciate your taking the time to meet with me personally to discuss this matter and for taking swift action to identify and correct some of the major problems in this procurement.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive, slightly slanted style.

Gregory W. Sullivan
Inspector General