



A. JOSEPH De NUCCI  
AUDITOR

# The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

STATE HOUSE, BOSTON 02133

TEL (617) 727-2075

2003-0064-130

Paul Morin  
Superintendent  
Soldiers' Home in Holyoke  
110 Cherry Street  
Holyoke, MA 01040-9475

March 3, 2003

Dear Mr. Morin:

On January 21, 2003, this office received the Soldiers' Home in Holyoke's (SHH) proposal to privatize its X-Ray and EKG Departments.

Pursuant to the requirements of Chapter 7, Sections 52-55, MGLs, the privatization law, and specifically Section 54(1), the State Auditor's Office hereby notifies the SHH of its objection to the awarding of this contract.

Our review found that the SHH failed to solicit competitive sealed bids for the privatization contract, as expressly required in Section 54 (2). Implicit in this office's ability to conduct a review within 30 days is the requirement that the SHH solicit competitive sealed bids from prospective service providers. Proposals that fail to meet this threshold standard preclude this office from proceeding further. This decision is reached following a full review, to the extent possible under the circumstances and conditions of the proposal, of all materials provided by the SHH, including materials submitted prior to January 21, 2003 and materials submitted subsequent to the initial January 21, 2003 package.

During our review, several issues came to our attention that must be addressed prior to a resubmission of this proposal. These issues include, but are not limited to, the vendor's reimbursement rates, vendor's compliance with health insurance requirements, vendor's tax standing, as well as SHH's treatment of Medicaid costs. This office is available to discuss these and other issues.

Therefore, pursuant to Section 55(a) of Chapter 7, MGLs, the State Auditor hereby notifies the SHH of his objection to the awarding of this contract for X-Ray and EKG services. Please note that in accordance with Section 55(d), this objection is final and binding on the SHH until such time as a revised certificate free of the above mentioned defects is submitted and approved by this office. This office takes no position at this time on the balance of submitted material. Such material will be subject to review after the SHH makes a submission in compliance with Chapter 7 and related Guidelines.

As always, this office stands ready to discuss our findings and provide further assistance to the SHH. In that regard you should contact my General Counsel, John Parsons, at (617) 727-6200 ext. 134.

Sincerely,

A handwritten signature in black ink, reading "A. Joseph DeNucci". The signature is written in a cursive, flowing style with a large initial "A" and "J".

A. JOSEPH DeNUCCI  
AUDITOR OF THE COMMONWEALTH