

The Commonwealth of Massachusetts

OFFICE OF THE INSPECTOR GENERAL
STATE OFFICE BUILDING, ROOM 1311
BOSTON, MASSACHUSETTS 02133, NOVEMBER 4, 1998.

The Honorable Robert E. MacQueen
Clerk of the House of Representatives
State House, Room 145
Boston, Massachusetts 02133

Dear Mr. MacQueen,

In compliance with Section 33 of Chapter 30 of the General Laws, enclosed herewith are ten legislative proposals of the Inspector General for the 1999 session of the General Court.

1. The first proposal comprises a thoughtful and practical approach to streamline and fine tune Chapter 30B. Chapter 30B thresholds for bidding were established in 1991 and need to be updated to reflect current procurement levels. In this proposal, advertised bids would be sought for contracts of \$25,000 or more and quotes would be solicited for contracts over \$5,000 and less than \$25,000 of value. A governmental body is authorized to increase by 25 percent the quantity of supplies and services in a contract. These threshold increases and procedural changes will improve compliance with the provisions of Chapter 30B. Crossreferences to Chapter 30, §39M and the application of Chapter 30B are up-dated.

2. The second proposal would reform public construction by raising dollar thresholds for bidding requirements, strengthening the contractor prequalification system, introducing value engineering to save money on larger projects, and establishing training standards for public officials responsible for contract oversight. Specifically, this proposal would raise bidding thresholds for public works construction projects and building projects to \$50,000 and \$100,000, respectively. The current law prohibiting a single designer from performing both

the study and the final design on a state project would be repealed, and a value engineering process would be implemented for projects that will cost more than \$1,000,000. The proposal would also shore up the state's contractor prequalification system by giving awarding authorities access to information about contractor performance and by extending qualified immunity to individuals responsible for preparing contractor evaluation forms. Training and certification would be required for owner's representatives who oversee construction projects that involve more than \$1,000,000 in state funds. These reforms mirror recommendations contained in a recent report issued by this Office.

3. The third proposal would amend motor vehicle registration procedures in order to improve state tax compliance by individuals and businesses that improperly register their vehicles in another state, or in another city or town. This bill establishes criteria to determine whether the owner of a motor vehicle has claimed Massachusetts as his principal domicile in order to qualify for an entitlement or benefit reserved for Massachusetts's residents. The bill would also require all vehicles operated upon the roads of the Commonwealth to have compulsory motor vehicle liability insurance equal to limits established for Massachusetts's motor vehicle owners. The program provides for an amnesty program during which all penalties customarily imposed for failing to pay motor vehicle excise taxes, sales taxes and improperly registering a motor vehicle would be waived.

4. The fourth proposal is a much needed technical amendment that would make it clear that staff investigators of the Office of the Inspector General may deliver summonses for documents just as they may now deliver summonses for witnesses. This change would result in a cost-savings to the Office and further insure confidentiality when issuing a summons.

5. The fifth proposal would establish open and accountable procedures for the acquisition and disposition of real property by independent State authorities. State authorities that currently are under virtually no statutory rules for conducting their real property transactions in a fair above-board, prudent, competitive manner would be subject to these standards.

6. The sixth proposal would repeal four unnecessary Chapter 30B exemptions. Contracts for police ordered towing and storage of motor vehicles, trash and recyclable collections, contracts for retirement board services, and the procurement of insurance would be subject to the bidding requirements of the Uniform Procurement Law.

7. The seventh proposal would establish a Massachusetts interstate commission on cooperation consisting of the Attorney General, the State Auditor and the Inspector General. This commission would establish committees and advisory boards to foster interstate cooperation in the prevention and detection of fraud, waste and abuse; governmental accounting and auditing; criminal justice administration; and public purchasing and procurement.

8. The eighth proposal would establish prudent controls over the creation, administration and reporting of trust fund accounts and other off-budget accounts containing revenues that are not subject to appropriation.

9. The ninth proposal would provide a statutory framework establishing open, accountable and competitive procedures for the issuance of public debt by the Commonwealth. The use of negotiated sales by the Commonwealth would be controlled and the role of the Financial Advisory Board would be strengthened to ensure that the Taxpayers' interests are fully protected.

10. The tenth proposal restricts and regulates related party transactions in contracting for goods and services by the Commonwealth. No longer will a principal, officer, employee, board of directors member associated with any contractor receiving \$100,000 or more of gross revenues through contracts with the Commonwealth, participate in any procurement, when the person or any member of his or her immediate family has a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with the contractors' duties and responsibilities to the Commonwealth.

Sincerely,

ROBERT A. CERASOLI,
Inspector General.

