



Office of the Inspector General

Commonwealth of Massachusetts

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The Massachusetts Certified Public Purchasing Official Program: Fifteenth Anniversary Report

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Introduction

Established in 1981, the Office of the Inspector General (“Office”) was the first state inspector general’s office in the country. The Legislature created the Office at the recommendation of the Special Commission on State and County Buildings (the “Ward Commission”), a legislatively appointed panel that spent two years probing corruption in the construction of public buildings in Massachusetts.¹ The Ward Commission’s findings helped shape the Office’s broad statutory mandate, which is the prevention and detection of fraud, waste, and abuse in the expenditure of public funds. In keeping with this mandate, the Office investigates allegations of fraud, waste, and abuse at all levels of government, and conducts programmatic reviews to identify systemic vulnerabilities and opportunities for improvement. The Office also provides proactive assistance to the public and private sectors to help prevent fraud, waste, and abuse in government spending. As set forth in detail below, over the past fifteen years the Office has established a wide range of training programs focusing on best procurement practices, public contracting, and the legal and ethical obligations of the public officials who are responsible for purchasing the supplies, services, and facilities that cities, towns, and other governmental entities use to serve the public.

Starting in 1985 with the publication of the *Designing and Constructing Public Facilities Manual*, the Office has created numerous publications and a broad curriculum that includes both general and specialized seminars for public and private employees. The Office’s staff has learned much over the years while creating and modifying course content and interacting with program participants. Drawing on that knowledge, as well as on its expertise in reviewing public contracts and investigating allegations of fraud, waste, and abuse, the Office has formulated a number of recommendations for how procurement and public contracting education could benefit both public and private entities and individuals. These recommendations include:

- Working with city and town solicitors and counsel on issues related to Chapter 30B;
- Encouraging law enforcement officials, investigators, and counsel to incorporate education in the disposition of cases involving fraud or misuse of funds;
- Training housing authority executive directors and purchasing officials in public procurement; and

¹ The Commission’s findings are available online: <http://archives.lib.state.ma.us/handle/2452/122044>.

- Providing specific guidance to auditors, accountants, and others reviewing municipal financial documents for procurement and contracting compliance.

In the coming years, the Office will continue to strengthen its commitment to education as one of the cornerstones to preventing fraud, waste, and abuse in the expenditure of public funds.

The Beginning of the Office's Education Programs

The Office's educational outreach began by focusing on the laws governing the construction of public facilities. The first Massachusetts Inspector General, Joseph R. Barresi, recognized that these laws were complex, and that they varied for state and local entities and by the nature of a particular construction project. To help cities and towns understand the legal requirements and best practices for awarding construction contracts, former Inspector General Barresi created a written guide, the *Designing and Constructing Public Facilities Manual*. First published in 1985, the *Manual* provides guidance for procurement and contracting practices associated with the construction of schools, police and fire stations, road and bridge projects, and other public facilities.

In 1990, the Legislature enacted the Uniform Procurement Act, Chapter 30B of the General Laws ("Chapter 30B"), in collaboration with former Inspector General Barresi, the Massachusetts Association of Public Purchasing Officials, the Massachusetts Association of School Business Officials, the City Solicitors and Town Counsel Association, and local officials. The contracting procedures in Chapter 30B are based on three general premises. First, uniform contracting procedures promote competition, fairness and transparency. Second, fair, robust competition for larger procurements saves money and promotes integrity and public confidence in government. Third, larger contracts merit more attention than smaller contracts, a fact which Chapter 30B recognizes by requiring increased transparency and review in the purchasing process as the dollar value of the procurement increases.

As Chapter 30B requires that all public purchasing officials comply with its provisions, former Inspector General Barresi realized that the Office could be instrumental in educating city and town officials about the new law. Using the *Designing and Constructing Public Facilities Manual* as a guide, the Office published the *Chapter 30B Manual* and distributed notices to the Commonwealth's cities and towns informing them that the new manual was available at the State House bookstore. The Office also began sending its employees across the Commonwealth to teach city and town purchasing officials, solicitors, and other staff about Chapter 30B. The Office's decision to use its expertise and resources to proactively educate city and town officials to prevent fraud, waste, and abuse was well received by municipal officials.

Recognizing the growing complexity involved with procurement and public contracting as well as the importance of ongoing education about Chapter 30B and other related laws to the prevention of fraud, waste, and abuse, former Inspector General Robert A. Cerasoli sought and received legislative authorization in 1996 to create a public purchasing official certification program.² Pursuant to this authorization, the Office created the Massachusetts Certified Public Purchasing Official (“MCPPO”) program, a comprehensive educational program for public purchasing officials and individuals in the private sector who conduct business with public entities. Former Inspector General Cerasoli understood that the Commonwealth would expend far fewer resources on public procurement and contracting educational programs than on investigating and prosecuting criminal cases involving the misuse of public money. He also realized the importance of creating a program that conferred a credential on public purchasing officials to serve as a sign of their training and professionalism and to create accountability for making legal and ethical decisions. Finally, he understood that educational programs would create open lines of communication and cooperation.

To assist with the development of the MCPPO program and curriculum, the Office created an advisory group that included representatives from the Massachusetts Association of Public Purchasing Officials, the Massachusetts Association of School Business Officials, and the City Solicitors and Town Counsel Association. Working with the advisory group, the Office designed the MCPPO program to include both specialized seminars and stand-alone courses.

The credential that former Inspector General Cerasoli envisioned became the MCPPO designation. To earn an MCPPO designation, public purchasing officials must successfully complete a series of core seminars and have the requisite education and work experience. These seminars include the prerequisite three-day course, “Public Contracting Overview,” which focuses on purchasing principles and statutes, fair labor requirements and practices, ethics laws, and related issues. In addition to completing the prerequisite seminar, a prospective MCPPO designee must also successfully complete one or both of the MCPPO program’s other three-day seminars, “Supplies and Services Contracting” and “Design and Construction Contracting.” Each of these core seminars also requires that attendees pass an examination at the end of each course. Individuals who are not eligible for an MCPPO designation, or those who attend the

² 1996 Mass. Acts 151, § 2, 1910-0210.

seminars and courses solely for educational purposes, receive a certificate of completion if they pass an examination and a certificate of attendance if they opt not to complete the examination.

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Evolution of the MCPPO Program

When the MCPPO program began in 1997, the Office presented its first general public contracting seminar to almost 400 individuals. The Office also presented “Supplies and Services” seminars, training participants to use invitations for bids and requests for proposals to procure supplies and services under Chapter 30B. The Office began offering the MCPPO designation in 1999 and granted an MCPPO designation to approximately 200 individuals that year.

Throughout the past fifteen years, the Office has continuously added new courses and refined existing content to meet the changing needs of both the public and private sectors. The following is a sample of the courses that the MCPPO program has offered:

- “Advanced Topics Update” focuses on Chapter 30B; sole-source procurements; real property transactions; municipal finance; the public records and open meeting laws; energy, cable TV, and telecommunications contracts; income-producing contracts; quasi-public entities created by governmental bodies; updates on the public design and construction laws; and fraud, false statements, and bid rigging in public contracting.
- “Bidding Basics and Contract Administration” educates individuals regarding the Chapter 30B dollar thresholds and procedural requirements for specific contracts for supplies or services, the difference between a bid process and a proposal process, the meaning of “responsible and responsive” in the bidding process, the rules governing sole-source procurements of supplies and services, restrictions on emergency procurements of supplies and services, and the application of Chapter 30B to the disposal of surplus supplies and the acquisition and disposition of interests in real property.
- “Bidding for Better Results” responded to requests from local governmental entities for advanced procurement training for municipal purchasing officials.
- “Charter School Procurement” assisted charter school officials to satisfy the legislative requirement that certain school administrators earn an MCPPO certificate³ and included information about Department of Elementary and Secondary Education expectations, recommended procurement practices, and legal requirements for public contracts.
- “Construction Management at Risk under M.G.L. c. 149A: Legal Requirements and Practical Issues” introduces rules and concepts created by the Commonwealth’s public construction reform law.⁴

³ 1997 Mass. Acts ch. 46, § 11 (“[T]he administrators of charter schools in the commonwealth who are the procurement officers for said schools shall participate in the Massachusetts public purchasing official certification program conducted by the office of the inspector general in order to earn a Massachusetts public purchasing official certificate.”).

⁴ Chapter 193 of the Acts of 2004.

- “Creating a Procurement Office” addresses the range of challenges that procurement officials encounter, including working with elected officials, vendors, state enforcement agencies, citizens, and colleagues from departments in their community; standardizing bidding procedures and forms; centralized purchasing systems; handling difficult vendor relations; and managing officials and departments not comfortable with or committed to proper procurement procedures.
- “Design and Construction Contracting” educates participants about the project development process, procuring architectural and engineering services, construction bidding laws, selecting qualified contractors, effective design and construction contract management, proprietary specifications, alternative delivery methods, and common bid protests.
- “Drafting a Model Invitation for Bids” offers an individualized computer-based training program during which participants use a CD to learn at their own pace how to properly complete an invitation for bids.
- “Local Government Real Property Transactions Under Chapter 30B” provides advanced training in the request for proposal process for the acquisition and disposition of real property by local public officials.
- “Spotlight on Schools: Procurement Issues, Challenges and Trends” focuses on specialized issues facing school business officials.
- “Story of a Building” immerses attendees in the story of a public building construction project from the beginning of the planning process to the final stages of construction.

Today, the MCPPO program offers courses on a variety of topics, including public contracting, supplies and services contracting, design and construction contracting, construction management at risk, real property, creating a procurement office, school project design, drafting a model invitation for bids, and bidding basics. Over the past year alone, attendance at MCPPO courses has grown from 510 attendees in the spring of 2012 to 863 attendees in the spring of 2013. All told, over 13,000 participants – consisting of town, city, and state employees, as well as members of the private sector – have attended MCPPO courses and presentations during the past 6 years.

The MCPPO designation is widely recognized by state officials and local jurisdictions in Massachusetts as an indication that an individual is familiar with Massachusetts procurement and construction practices. Although not mandated by law, municipal job postings more often than not require an MCPPO designation. There are six MCPPO designations, which depend on the applicant’s education and public procurement experience: (1) MCPPO; (2) Associate MCPPO; (3) MCPPO for Supplies and Services Contracting; (4) Associate MCPPO for Supplies and Services Contracting; (5) MCPPO for Design and Construction Contracting; and (6) Associate

MCPPO for Design and Construction Contracting. Associate-level designations are available for individuals who have completed the required courses, but who are still working towards the required experience in Massachusetts or towards the educational prerequisites. The training is available to everyone – with or without public procurement experience – seeking to learn about Massachusetts public procurement. Ultimately, however, to be eligible for any MCPPO designation, an individual must fulfill a requisite combination of training as well as work experience in Massachusetts public procurement.

The Office has also developed new categories of certifications, including the Certification for School Project Designers and Owner’s Project Managers, which satisfies the Massachusetts School Building Authority’s (“MSBA”) regulations requiring that an individual directly in charge of a school building project have an MCPPO certification.⁵ The Office also created an MCPPO recertification pursuant to which an MCPPO designee must earn at least 25 continuing education credits every three years to maintain the MCPPO designation. Moreover, the Office designed a seminar for the recertification of school project designers and owner’s project managers, which the MSBA requires every three years.

The MCPPO courses have earned recognition from national educational organizations and meet national standards for professional development programs. For example, the National Association of State Boards of Accountancy accepted the Office to become part of the National Registry of Continuing Professional Education Sponsors and to award continuing professional education credits. The Office’s seminars also qualify for professional development points required of school business administrators under the Commonwealth’s education reform laws. The Office also became a registered provider of continuing education for the American Institute of Architects Continuing Education System (“AIA/CES”) so that AIA members who participate in MCPPO program courses can receive continuing education credits from the AIA.

The MCPPO program reaches a wide range of public officials, including individuals responsible for auditing, public procurement, contracting for public works and building projects, and contract oversight or management. The public officials who benefit from these programs include procurement officials, school business officials, public works directors, housing authority

⁵ The current MSBA regulations require that the individual responsible for procurement, the project director, and the project manager have an MCPPO certification. 963 C.M.R. § 2.03(2)(o), 2.11(5)(e), 2.12(6).

officials, school superintendents, architects and engineers performing public work, auditors, contracting officers, and department managers and staff. Private sector vendors also benefit from attending these seminars by developing a better understanding of the procurement process, which improves their ability to compete and meet the public's needs. In addition to educating participants about procurement, contracting, and ethics laws, the MCPPO program provides practical recommendations to assist public officials in implementing best practices in their own jurisdictions. Perhaps as important as the educational benefit that participants receive are the positive relationships that the MCPPO program creates so that individuals are comfortable contacting the Office for advice and assistance on procurement matters, as well as to report suspected fraud, waste, and abuse. Furthermore, the program has also fostered beneficial relationships and networking within the community of procurement professionals.

Future of the MCPPO Program

Over the past fifteen years, the Office has recognized that education is a vital component in the prevention of fraud, waste and abuse. In keeping with this observation, the MCPPO program continues to evolve to meet the changing needs of procurement officials, public and private sector employees, and vendors. For example, as a part of the “Spotlight on Schools” seminar, the Office recently added a panel of experts to discuss procurement for special education, an ever-growing part of public school procurement. The Office is also expanding its reach to students who may be unable to attend a class as the result of scheduling issues or proximity – such as those in Western Massachusetts or on the Cape and Islands – by using video conferencing and webcasting. For example, during this past year, the Office conducted its first one-day seminar on specialized procurement topics via video conference through a partnership with Gateway Regional High School in Huntington, Massachusetts. The Office also held a series of three-day courses via webcasting at the Barnstable County Courthouse complex to reach procurement officials on the Cape and Islands. Additionally, the Office recently created a free “Bidding Basics Online” course, which examines the legal requirements for the procurement of contracts for supplies, services, and real property under Chapter 30B. The course takes approximately three hours to complete and includes short quizzes at the end of each chapter.

One of the MCPPO program’s newest offerings, “Story of a Building,” immerses public officials in best practices for the construction of public buildings. The seminar, which began in March of 2013, was well received at Beverly High School and Norwood High School, and will visit Hanover High School in September of this year. This one-day program brings together building architects, construction contractors, educational personnel, students, procurement managers, public officials, and others to review lessons learned from successful projects with the objective of helping other awarding authorities to benefit from those experiences. In the months ahead, the Office will announce future sites for this program which are expected to include libraries, public safety buildings, a vocational school, a public housing complex, and a senior center. A broad range of public officials and community members (including building and capital expenditure committee members, municipal department leaders, municipal service providers, and state agency representatives) have attended the “Story of a Building” seminars thus far.

The most recent addition to the MCPPO course offerings, “Creating a Procurement Office,” debuted in July of this year. This seminar reflects the Office’s goal of continuing to develop positive working relationships with municipal and state contracting officials throughout the Commonwealth. Over two days, this Office, in partnership with the Massachusetts Association of Public Procurement Officials, explored best practices in the development and maintenance of procurement operations, emerging technologies related to contracting functions, working successfully with elected and appointed officials, and other topics relevant to the procurement officials responsible for millions of dollars of contracting decisions annually. The Office looks forward to continuing to use this class and others as a resource for developing best practices, identifying the need for future revisions to the Commonwealth’s procurement statutes, and identifying mechanisms for enhancing efficiencies through collaborative purchasing and recourse sharing.

The MCPPO program will also continue to engage instructors and panelists from the Office as well as from a diverse group of local jurisdictions, state agencies, and private sector entities. In recent months, these have included the Supervisor of Public Records and staff attorneys from the Office of the Secretary of State, attorneys from the State Ethics Commission, legal counsel for the Division of Capital Asset Management and Maintenance, Assistant Attorneys General from the Fair Labor and Public Protection Divisions of the Office of the Attorney General, contracting specialists from the Division of Energy Resources, legal counsel and program directors from the City of Boston and Metropolitan Area Planning Council, representatives of the Operational Services Division (including its Office of Supplier Diversity), and procurement specialists from the many municipalities with expertise in areas such as educational service contracting, real property transactions, energy procurement, and other topics.

Recommendations for Future Use of the Program

The MCPPO program has benefitted from the Office's expertise in reviewing both problematic and successful public contracts, as well as handling thousands of questions from public officials, vendors, and concerned citizens. Indeed, the Office has produced a plethora of investigative reports and advisories over the years which reflect and inform the lessons and experiences that are at the core of many MCPPO classes. The MCPPO program staff has also learned by listening to seminar participants and from the working relationships it has with representatives of multiple regulatory agencies and contracting experts. Based on the collective history of involvement with public contracting and construction matters and the feedback received from program attendees, the Office believes that a wide range of professionals have benefitted from the MCPPO classes. Looking towards the future, the Office has a number of recommendations for training a broad spectrum of both private and public sector stakeholders that could help to reduce fraud, waste, and abuse in public purchasing, contracting, and construction. For example:

- Cities and towns might consider requiring all public purchasing officials, as well as city and town solicitors and counsel, to receive their MCPPO designation or equivalent training in Chapter 30B and related laws.
- Law enforcement officials, investigators, prosecutors, and defense counsel might consider incorporating Chapter 30B education as part of the evaluation and disposition of cases involving fraud or the misuse of public funds.
- As various proposals for housing authority reform move forward in the Legislature, any proposal for reform should include Chapter 30B training for housing authority executive directors and purchasing officials.
- Private individuals or entities that work on public building projects should consider learning about Massachusetts's construction laws so that they understand the public entity's legal obligations.
- Forensic auditors, accountants, and others reviewing municipal financial documents for procurement and contracting compliance would benefit from specialized education on the unique requirements with which cities and towns must comply.
- For awarding authorities that do not have an MCPPO-designated individual on staff, city and town officials should learn about their rights and obligations in the bidding process, the importance of obtaining independent guidance in commodities and real property procurements, and the benefit of encouraging fair competition whenever possible.
- Cities and towns could seek assistance in creating and redesigning their own procurement offices similar to that provided in the Office's "Creating a Procurement Office" seminar.

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Conclusion

The Office is proud of the MCPPO program's growth over the past fifteen years and the role that it has played in reducing fraud, waste and abuse. It performs an important public service by educating procurement officials, public employees, private sector employees, and vendors about Chapter 30B, ethics laws, best practices, and related topics. The program provides MCPPO designations and course certifications as validation of an individual's training and education, which enhance public purchasing officials' ability to operate confidently and effectively. Indeed, as former Inspector General Gregory W. Sullivan recently observed, the MCPPO program is one of the Office's most significant accomplishments in carrying out its mission to prevent fraud, waste, and abuse. The Office looks forward to continuing to educate and innovate as a central part of its mission to reduce and prevent fraud, waste, and abuse in the expenditure of public funds.