Woods Hole, Martha's Vineyard
and Nantucket Steamship Authority

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November 10, 2026

Jeffrey S. Shapiro, Esq., CIG
Inspector General
Office of the Inspector General
Commonwealth of Massachusetts
One Ashburton Place, Room 1311
Boston, MA 02108

Re: Letter of October 6, 2026 – Recommendations from the December 18, 2025, Report on the Steamship Authority Website Development Project

Dear Inspector General Shapiro:

Thank you for your October 6 letter and for the Office of the Inspector General's continued attention to the Steamship Authority. We appreciate your recognition of the progress made since our March 27, 2026, response, and of the Authority's response to this fall's inspection lapses. As committed, a full public accounting of those lapses, including fleet-wide certification status, will be presented to the Board on November 17, 2026. The Authority will also be undergoing a follow-up ISM Document of Compliance Audit on November 23, 2026, and several vessel Safety Management Certificate (SMC) audits during the week of November 30, 2026. The *M/V Woods Hole*, *M/V Sankaty*, *M/V Island Home*, *M/V Monomoy*, and the *M/V Iyanough* are all scheduled to be included in this audit.

Below is our response to each outstanding recommendation, including the reservation system information you requested. Most of that information has already been presented at public Board, Port Council and IT Executive Steering Committee meetings; this letter brings it together in one place. We welcome the opportunity to meet with you and Director Xenakis, and Board members, Mr. Jeffrey and Mr. Gavin, and I will attend the listening session in Falmouth.

1. Board training through the OIG Academy

This year, the Board recognized the value of having additional subcommittees to support the Board, the Port Council, and Authority leadership and provide additional oversight. In addition to the IT Executive Steering Committee, which was created in 2024 at the end of the website project and oversees all IT projects, including the Reservation System Replacement, the Board also created a Governance Committee, which is empowered to review all policies under which the Authority operates.

The Governance Committee took up the recommendation for additional Board and Port Council training at its September 2026 meeting. The courses include Boards & Commissions, Fraud Awareness, and Managing Risk, Measuring Reward. The Board voted to recommend all members complete these courses every three (3) years. Each member's completed courses will be listed in an annual review so their appointing authorities and the public can track compliance. I have completed Fraud Awareness, along with several other OIG Academy courses, and I am scheduled to take Boards & Commissions and Managing Risk, Measuring Reward courses later this month.

2 and 3. Project management policies and procedures, including scope review

This year, the Board also established the Capital Projects Steering Committee to provide strategic advice, oversight and guidance for major acquisitions and infrastructure. An important part of the committee's remit is to ensure the Authority assigns the right resources for each project, including project management. The committee is identifying and reviewing all current and planned capital projects, starting with freight vessel procurement and conversion. Strong project management is essential to the Authority, and we are committed to building these skills carefully and making them last.

Project manager oversight of bids and RFPs is in place. The next step is to establish an internal Project Management (PMO), led by a dedicated, certified project manager. The PMO will set and maintain the Authority's standards for managing projects across its whole portfolio so that each capital and operational project supports the Authority's goals, stays on budget and schedule, and has the resources it needs. Its first task will be a written Project Management Policy and Procedures Manual covering the following:

- Project initiation, scoping, approval thresholds, and stakeholder engagement.
- Scope and services review before procurement.
- The project manager's defined duties, authority, and reporting line.

- Development and maintenance of project management standards, procedures, and SOPs.
- Schedule, budget, risk, and change-order controls.
- Regular status reporting to the General Manager and the Board.
- Cross-departmental communication and governance processes that provide clear project scope, requirements, milestones, and responsibilities.

These policies will apply to all new capital and operational projects. To inform the process, through the Capital Projects Steering Committee, we are conducting a full review of the recent procurement and conversion of three (3) freight vessels (commonly referred to as the OSVs) with a final cost materially greater than what had been anticipated at the outset of the process. Those vessels were a critical purchase for the Authority. Reviewing that project and its decision-making process will help us strengthen how we manage and price capital projects, confirm that controls are being applied, and close any oversight gaps. The review is internal and fact-based, and its findings will also help define what future Authority vessels should look like. It will be presented to the Capital Projects Steering Committee starting with the next committee meeting and will likely be the focus of the committee for at least its next two (2) meetings.

You asked how project management practices have been applied to existing projects. The Reservation System Replacement project already operates under many of the controls the manual will formalize, such as:

- **Scope.** Requirements were developed over ten (10) months with staff from the Operations, Information Technology and Accounting departments, and built into roughly 750 discrete evaluation criteria.
- **Procurement.** The Request for Responses went to twenty-six (26) firms and drew nine (9) submissions. A seven-member staff evaluation team scored them under the oversight of the Authority's procurement officer, held demonstrations with the four (4) highest-rated firms, checked references, and opened price proposals only after technical scoring was complete.
- **Governance.** The IT Executive Steering Committee, a Board subcommittee, meets monthly in public. The chief operating officer serves as project sponsor, a weekly internal working group resolves day-to-day issues, and Gibbous LLC serves as the outside project management office for this project. As we have encountered issues with the project timeline, we are seeking independent outside expertise to perform an independent assessment of project status and are prepared to augment outside project management resources with the start of the new year as necessary. We are also actively reviewing past decision-making pertaining to this project to ensure that all critical decision-making steps were followed properly and that all options were considered.

- **Tracking and reporting.** Tasks, issues and decisions are tracked in Jira and Confluence, commonly used helpdesk and project tracking tools, as well as Excel. Each workstream has a named owner, and a status dashboard showing progress, risks and next steps has been presented at every monthly Board meeting since November 2025. The IT Executive Steering Committee reviews the schedule, the full project budget, and spending to date at its monthly public meetings.
- **Public engagement.** Each phase of policy changes has gone to town halls and shipper meetings on Martha's Vineyard, Nantucket, and the mainland before a Board vote. A public beta testing group, with more than 100 people enrolled, has been created and will be engaged to begin testing the system early next year. Each IT Executive Steering Committee meeting includes public comment. The reservation system and new website were recently shown at our three (3) Budget Open Houses on Nantucket, Martha's Vineyard and Falmouth. The new reservation system is also expected to be shown at the next IT Executive Steering Committee meeting.

4. Project management division and certified lead project manager

The IT Executive Steering Committee also raised the value of an internal, certified project manager, and the Authority is now recruiting a full-time project manager to lead the new PMO. The PMO will be the project management division your report recommends. The position will require a recognized project management certification, such as PMP, and relevant experience. This person will serve as lead project manager on capital projects going forward. As the PMO develops, we will assess the Authority's needs and add additional internal or external resources as necessary.

We agree with your point regarding senior staff time. The chief operating officer serves as project sponsor, and the treasurer/comptroller and other department heads are listed as owners of individual workstreams because those workstreams depend on their departments' staff, systems, and decisions. This concern was also raised in our board meeting in September 2026 while discussing the project. Day-to-day project management for this project has been provided by Gibbous LLC as an outside project management office. Gibbous was first engaged in April 2023 under Contract No. 07-2023 for information technology consulting and helped prepare and evaluate the reservation system procurement. The Board approved its project management role in public session in August 2025 for $400,000 through December 2026, and it has approved change management support in stages since then, now budgeted at $622,000. Gibbous also holds a Commonwealth statewide contract (PRF76) for management consulting services. When E-Dea was selected, the Authority chose to retain its own PMO rather than use the third-party project manager in E-Dea's proposal, which reduced E-Dea's price by $548,000. Once the Project Manager is on staff, the Authority will have its own capacity to manage this and future projects, and senior staff involvement will be limited to decisions and approvals

within their responsibilities. Once the internal project manager is on staff, Gibbous' involvement in the project will cease.

5. Reservation System Replacement project and Stellar Elements (formerly ADK Group) work.

The Board awarded the reservation system contract to E-Dea of Naples, Italy on June 17, 2025, for $5,779,484, covering implementation costs and the on-going software license fees and support subscription through 2030. E-Dea's system serves ferry operators including BC Ferries, CalMac in Scotland and Color Line in Norway. Its price was below the $8.3 million consultant estimate for this phase of the project. E-Dea is paid only as defined contract milestones are met. As of October 27, 2026, $1,687,062 of the budgeted $2,478,463 implementation fee had been paid, and $100,000 is held back until sixty (60) days after go-live.

The full project extends well beyond the E-Dea contract. A line-item project budget, with spending to date, has been presented at IT Executive Steering Committee meetings since spring 2026. The table below summarizes the version presented at the IT Executive Steering Committee's public meeting on October 27, 2026. About $3.3 million of the E-Dea amount is software licensing and hosting for 2026 through 2030, which is an ongoing operating cost rather than implementation.

Category	Budget	Spent to date
E-Dea reservation system: implementation, licenses and hosting through 2030, change orders, testing and contingency	$6,282,332	$2,069,050
System integrations: bulk shipper portal, website, notifications, accounting system, data migration and IT staff support	$1,500,555	$1,099,875
Project management, change management and training	$1,330,000	$962,190
Hardware: scanners, network equipment, computers, Wi-Fi and terminal infrastructure	$2,105,000	$392,119
Total	**$11,217,887**	**$4,523,234**

Two (2) items have exceeded their original estimates: the bulk shipper portal, from about $732,000 to $858,555, and network equipment, from $460,000 to $650,000. Both were reported at the IT Executive Steering Committee's public meeting in May 2026 and are handled through change orders, and the budget in Board packets now highlights significant spending changes and approved change orders. Third-party software subscriptions add about $161,000 over five (5) years. The recovery plan adds an estimated $815,000, including $305,000 to keep

the existing reservation system, support systems and website running through the extended E-Dea implementation timeline, $175,000 for additional project management support and $150,000 for additional configuration and testing. Once the new system goes live, the Authority expects to save about $128,000 a year on payment (merchant services) processing costs through its agreement with Shift4.

Full implementation of the new reservation system has been extended so that all the Authority's unique programs can be built into the system and fully tested before public rollout. We also want our employees, shippers, island residents, and other stakeholders to have ample time to test the system and be fully trained on it.

The original implementation plan, presented with the contract award in June 2025, called for phased rollouts in 2026 and full implementation in the fourth quarter of 2026. Each change to that plan has been presented in public at Board meetings:

- **May and June 2026.** Staff recommended moving the launch by about two (2) months to allow time for integrations, testing, training and communications. The analysis presented to the Board estimated that holding the original date would cost about $550,000 to accelerate the work plus a $500,000 contingency, compared with about $165,000 in added project management to extend. The Board approved the revised timeline in June.
- **Summer 2026.** Testing surfaced software quality issues and delays in E-Dea's releases. The Authority added an independent testing firm and a training firm, and in August reviewed go-live contingency options with the Board.
- **October 2026.** I presented a recovery plan at the October 20, 2026, Board meeting, and the IT Executive Steering Committee reviewed it in detail on October 27, 2026. E-Dea is scheduled to deliver the high-speed ferry booking by December 15, 2026, with testing complete by January 23, 2027. The revised plan phases the rollout by service: high-speed, passenger-only ferry booking to go live on February 23, 2027, and high-speed ferry ticket scanning on March 31, 2027; the freight preseason portal on May 4, 2027; truck and commercial bookings in May and June 2027; public vehicle bookings on July 27, 2027; and terminal scanning on November 1, 2027. The January 2028 date in your letter reflects the tentative general public opening for the 2028 summer season. As mentioned above, we are also identifying an independent outside assessor to review the project.

The main factors behind these changes are:

- **Policy redesign.** Many of the organization's existing reservation policies were unwritten or inconsistent, and each had to be defined before it could be configured.

After public town halls and shipper meetings, the Board approved Phase I policy changes in March 2026 and Phase II changes in June 2026. Phase III public meetings will be under way this fall, with a Board vote scheduled for January 18, 2027. Additionally, some of the Authority's current policies and procedures needed to be redefined to be compatible with the E-Dea system.

- **Unique programs.** Special programs, such as the Headstart Program, the Excursion program, the Preferred Program, bulk freight, Blue Line service and Nantucket standby required redesign to work in the new system.
- **Vendor releases and testing.** Several E-Dea releases arrived late or required fixes, and test cases blocked by open issues had to be cleared before the next release could be accepted.
- **Data migration.** Reservations, coupon books, open tickets, RFID cards and gift card balances must be mapped, moved, and tested from the legacy system without loss.
- **Infrastructure.** Terminal network upgrades, cabling, Wi-Fi and scanning equipment must be in place before cutover. Work at Woods Hole is tied to terminal construction there, and the Authority is pursuing grant funding for terminal infrastructure.
- **Staff capacity and training.** The same IT and operations staff who are building the new system are running the current one, and every employee who uses it must be trained before launch. The Authority has hired a training manager to lead our training programs including the reservation system as a priority.

The IT Executive Steering Committee continues to review the project to determine the best course forward. A responsible schedule must come out of that review rather than precede it, and we will continue to report the project timeline at our public meetings.

Until the new system launches, reservations continue to be processed in the Authority's existing system, which will also handle 2027 Headstart and general public summer reservations, and summer 2027 freight reservations. Our agreement with Shift4 preserves access to the existing payment gateway until the E-Dea integration is complete. David Cox, the original developer of the existing reservation system, continues to maintain and support it. He is also providing hourly subject-matter support, budgeted at $33,000, to convert legacy data for migration, working with Authority IT staff and IntraSystems (the firm that has acquired the website designs and will be the integration experts for the new website and the new reservation system).

The new website is integral to the reservation system's release. The website, which was initially developed by a company now known as Stellar Elements, is now being managed by IntraSystems and will connect to E-Dea's booking engine. The non-reservation design and functionality is largely complete, but IntraSystems will handle linkage to the E-Dea site for booking and integrations for status of vessel trips and parking operations. We have

demonstrated both the new website and the E-Dea booking platform to Board and Port Council members and to the public at our recent budget forums, and we will continue to do so at upcoming Board and Port Council meetings and at community forums this month. We would be glad to demonstrate it for your team as well. We cannot overstate this: the protracted monetary investment in the website redevelopment project, while subject to the deficiencies your office found, was not for naught – the website that was built in that project is functional, and is already integrating with the new reservation system.

Status reports on the project have been presented at every monthly Board meeting since November 2025, most recently on October 20, 2026. The IT Executive Steering Committee reviews the full budget, including spending to date, at its public meetings, most recently on October 27, 2026. We would be glad to walk your staff through those materials.

The following table summarizes the timeline for your remaining recommendations; we will update your office as each item is completed.

Rec.	Action	Owner	Target date	Status
1	All Board and Port Council members complete Boards & Commissions	Governance Committee	TBD	In progress
2, 3, 4	Hire certified Project Manager to lead the PMO	General Manager	4-Dec-26	Recruiting
2, 3	Adopt Project Management Policy and Procedures manual	General Manager; Board	31-May-27	Planned
2, 3	Present freight vessel review	Capital Projects Steering Committee	17-Nov-26	In progress
5	Board vote on revised reservation system timeline	Board	17-Nov-26	Presented Oct 20, 2026
5	Board vote on Phase III reservation policies	Board	By 18-Jan-27	Public meetings to be scheduled
5	Independent assessment of the reservation project	IT Executive Steering Committee	31-Dec-26	Identifying assessor
5	High Speed ferry booking go-live	Project Team	23-Feb-27	Testing
5	High Speed ferry travel go-live	Project Team	31-Mar-27	Testing

Rec.	Action	Owner	Target date	Status
5	Public vehicle booking go-live	Project Team	27-Jul-27	Configuration
5	Public vehicle travel go-live	Project Team	1-Nov-27	Configuration

The OIG's report has been a useful roadmap for the Authority. We remain committed to the accountability and transparency that the public expects of us.

Thank you again for your work and for your engagement on these important matters.

Sincerely,



Alex Kryska
General Manager
cc (by email):
George Xenakis, Director, OIG Audit, Oversight and Investigations Division
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Board
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Port Council
Dukes County Commissioners
Nantucket County Commissioners
Barnstable Town Council
Falmouth Select Board
New Bedford City Council
John Mitchell, New Bedford Mayor
Oak Bluffs Select Board
Tisbury Select Board
Nantucket Select Board
Fairhaven Select Board