



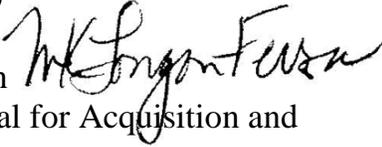
# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION: Audit Announcement -  
DOT's Use of Management Support Services  
Contracts  
Project No. 13Z3001Z000**

Date: February 14, 2013

From: **Mary Kay Langan-Feirson**   
Assistant Inspector General for Acquisition and  
Procurement Audits

Reply to: JA-60  
Attn of:

To: DOT Senior Procurement Executive  
FAA Director, Audit and Evaluation

Over the past decade, governmentwide contract spending for management support functions has quadrupled from \$10 billion to \$40 billion, far outpacing the already fast growth in contract spending. The Office of Management and Budget's (OMB) procurement reforms have focused on improving agency planning and use of management support services (MSS) contracts. As part of the Campaign to Cut Government Waste, OMB announced its goal to reduce contract spending on management support services by 15 percent by the end of fiscal year 2012. For fiscal year 2011, DOT reported to the Office of Federal Procurement Policy that it obligated over \$1.2 billion in MSS contracts to meet its mission needs.<sup>1</sup> DOT awarded over 60 percent of these obligations using contract vehicles that pose cost risks to the Department, such as time-and-materials or cost-reimbursement contracts. Such contracts are more complex to oversee and pose greater challenges for the Department's acquisition workforce.

We are initiating an audit to assess DOT's progress in meeting OMB's goal to reduce the use of MSS contracts. Specifically, our objectives are to (1) assess the steps DOT has taken to reduce MSS contract spending and (2) determine if DOT and its Operating Administrations have implemented effective controls to maintain reduced spending levels.

We plan to begin work immediately and will conduct the audit at DOT headquarters in Washington, DC, and other sites as needed. We will contact the

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<sup>1</sup>According to DOT's fiscal year 2011 service contract inventory.

audit liaison to schedule an entrance conference. If you have any questions or require any additional information, please contact me at (202) 366-5225; Anthony Wysocki, Program Director, at (202) 493-0223; or Dana Short, Project Manager, at (202) 366-2089.

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cc: DOT Audit Liaison, M-1  
FAA Audit Liaison, AAE-100  
FHWA Audit Liaison, HAIM-13  
FMCSA Audit Liaison, MC-PRS  
FRA Audit Liaison, RAD-41  
FTA Audit Liaison, TBP-30  
MARAD Audit Liaison, MAR-392  
NHTSA Audit Liaison, NPO-310  
PHMSA Audit Liaison, PH-4  
RITA Audit Liaison, RTC-1  
SLSDC Audit Liaison, SLSDC