



Memorandum

U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement—
FHWA's Federal-Aid Highway Program Oversight
of Procurement Practices for American Recovery
and Reinvestment Act-Funded Contracts at State
Departments of Transportation
Project No: 10U3005Z000

Date: October 28, 2009

From: *Mark H. Zabarsky*
Mark H. Zabarsky
Assistant Inspector General for
Acquisition and Procurement Audits

Reply to JA-60
Attn. of:

To: Federal Highway Administrator

On February 17, 2009, the President signed the American Recovery and Reinvestment Act (ARRA) into law, designating \$26.7 billion for the Federal-aid Highway Program. These funds are intended to achieve several goals, including (1) preservation and creation of jobs, (2) promotion of economic recovery, and (3) investment in transportation infrastructure to provide long-term economic benefits.

Consistent with ARRA and Office of Management and Budget guidance, we plan to conduct an audit, the objective of which will be to assess the adequacy of FHWA's oversight of state Departments of Transportation (DOT) contracting practices for awarding ARRA contracts. Specifically, we will examine state DOT practices for awarding ARRA contracts, as well as FHWA's oversight of those practices.

Our audit will include visits to FHWA offices in Washington, DC, and selected divisions and state DOT offices. We plan to begin the audit immediately. We will contact your audit liaison to schedule an entrance conference. If you have any questions, please call me at (202) 366-5225 or Ken Prather, Program Director, (202) 205-6084.

cc: FHWA Audit Liaison HIAM-13
Martin Gertel, M-1