



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –  
DOT's Compliance With Contracting Officer  
Certification and Warrant Requirements  
Project No. 14Z3002Z000

Date: February 3, 2014

From: Lou E. Dixon   
Principal Assistant Inspector General for  
Auditing and Evaluation

Reply to  
Attn. of: JA-60

To: DOT Senior Procurement Executive

The Department of Transportation (DOT) obligated \$1.3 billion on contracts in fiscal year 2013.<sup>1</sup> Contracting Officers (CO) are responsible for awarding and managing this significant portfolio of contracts, so it is important that the Department's COs meet Federal and DOT qualification standards. Specifically, the Office of Federal Procurement Policy (OFPP) requires that COs be certified at the appropriate level to correspond with the dollar value of contracts they are authorized to award and administer.<sup>2</sup> OFPP has also directed each agency's Chief Acquisition Officer to establish agency-specific certification and warrant requirements. Accordingly, DOT established a Contracting Officer Warrant Program, which outlines the Department's standards and is intended to ensure that only properly trained and qualified employees are appointed as COs.

Our objectives are to (1) evaluate DOT's compliance with requirements for certifying and assigning warrant levels to its Contracting Officers and (2) determine whether DOT has effective oversight policies and practices to ensure its Contracting Officers meet the applicable requirements. Our review will include selected DOT Operating Administrations, with the exception of the FAA. FAA is not included in this review

<sup>1</sup> According to data reported in the Federal Procurement Data System-Next Generation. This amount excludes the Federal Aviation Administration (FAA).

<sup>2</sup> The Federal Acquisition Certification in Contracting (FAC-C) Program has three levels, each with specific education, training, and work experience requirements. Agencies use these certification levels as a basis for delegating to their COs the authority to enter into contracts up to a certain dollar value, called the CO warrant level.

because it is exempt from Federal acquisition regulations and operates under its own Acquisition Management System.<sup>3</sup>

We plan to begin this work immediately and will contact your audit liaison to schedule an entrance conference. If you have any questions or need additional information, please contact 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  
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

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<sup>3</sup> In DOT's fiscal year 1996 Appropriations Act, Congress provided FAA with broad authority to develop its own acquisition process, which relieved the Agency from Federal acquisition laws or regulations. FAA established its Acquisition Management System, a set of policies and guidance designed to address the unique needs of the Agency.