Subject: INFORMATION: Audit Announcement – Audit of the Department of Transportation’s Use of Other Transaction Agreements

Project No. 15Z3007Z000

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To: DOT Senior Procurement Executive
Director, Audit and Evaluation

Congress has granted to several of DOT’s Operating Administrations, including the Federal Aviation Administration (FAA) and the National Highway Traffic Safety Administration (NHTSA), the authority to enter into Other Transaction Agreements (OTA). OTAs are not contracts, grants, or cooperative agreements, and are not subject to Federal laws and regulations governing acquisitions and financial assistance. OTAs enable entities to work with the Government that would otherwise not wish to due to the complexity of the laws and regulations that cover contracts, grants, or cooperative agreements.

DOT has used OTAs for projects ranging from construction of air traffic control towers to management of demonstration activities for emerging technologies. While Congress granted OTA authority to some DOT Operating Administrations for specific purposes, such as research and development at NHTSA, no restrictions were put on FAA’s use.

The objective of our self-initiated audit is to evaluate DOT’s use and management of OTAs. 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 me at 202-366-5225, or Ken Prather, Program Director, at 202-366-1820.

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1 The others include the Federal Highway Administration, the Federal Railroad Administration, and the Pipelines and Hazardous Materials Safety Administration.
cc: DOT Audit Liaison, M-1
   FAA Audit Liaison, AAE-100
   FHWA Audit Liaison, HAIM-13
   FMCSA Audit Liaison, MCPRS
   FRA Audit Liaison, ROA-3
   FTA Audit Liaison, TBP-2
   MARAD Audit Liaison, MAR-392
   NHTSA Audit Liaison, NPO-310
   PHMSA Audit Liaison, PH-4
   RITA Audit Liaison, RTC-1