



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
FHWA Construction Force Account Oversight
Federal Highway Administration
Project No. 16S3011S000

Date: November 16, 2016

From: Barry J. DeWeese
Assistant Inspector General for
Surface Transportation Audits

Reply to
Attn. of: JA-30

To: Federal Highway Administrator

The Federal Highway Administration (FHWA) is responsible for stewardship of billions of dollars in Federal aid for national highway and bridge projects. FHWA statutes require the competitive award of contracts for Federal-aid highway construction projects, unless some other method is shown to be more cost-effective or an emergency exists.¹ One method of carrying out construction projects that does not employ the competitive method is force-account work, which involves project activities performed using either State or local agency resources. FHWA Division Offices are primarily responsible for overseeing the use of force account on Federal-aid projects. Nationally, the scope and magnitude of force-account use is not readily available.

Given the inherent risk associated with noncompetitive bidding practices, we are initiating an audit of FHWA's force-account oversight. Our objectives for this self-initiated audit are to (1) determine the scope and magnitude of force-account projects funded through the Federal-aid Highway Program and (2) assess FHWA's processes for overseeing compliance with Federal force-account requirements.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FHWA Headquarters and other sites as needed. If you have any questions, please contact me at (202) 366-5630 or David Pouliott, Program Director, at (202) 366-1844.

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¹ 23 CFR 635.204(a).

cc: FHWA Audit Liaison, HAIM-13
DOT Audit Liaison, M-1