



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
OSDBU's Oversight of Small Business
Transportation Resource Centers
Office of Small and Disadvantaged
Business Utilization
Project No. 17Z3001Z000

Date: October 12, 2016

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

Reply to
Attn. of: JA-60

To: Director, Office of Small and Disadvantaged
Business Utilization

Since its creation in 1978,¹ the Department of Transportation's Office of Small and Disadvantaged Business Utilization (OSDBU) has been responsible for ensuring that small and disadvantaged businesses are provided opportunities to participate in federally funded contracts. OSDBU's specific mission is to (1) ensure that the small business policies and goals of the Secretary of Transportation are implemented in a fair, efficient, and effective manner; (2) implement the Department's activities on behalf of small businesses, in accordance with the Small Business Act; and (3) provide opportunities, technical assistance, and financial services to the small business community.

To help fulfill its mission, OSDBU maintains 13 Small Business Transportation Resource Centers (Centers) nationwide. In doing so, OSDBU enters into a 1-year cooperative agreement with each Center, setting specific operating requirements and funding amounts. Between 2013 and 2016, OSDBU provided approximately \$10.3 million to the 13 Centers for general operating and program costs. Overall, the Centers serve as stewards for OSDBU's Bonding Education Program² and the

¹ The Department of Transportation established OSDBU in 1978 in accordance with the Small Business Act, Public Law 95-507.

² The Bonding Education Program is designed to provide businesses competing for transportation-related contracts with information and assistance to become bond-ready.

Women and Girls in Transportation Initiative³ and also provide additional outreach services to small and disadvantaged businesses, including free business coaching, technical workshops, and information on procurement opportunities.

Given the important role the Centers play in helping the office meet its mission and as neither they nor OSDBU have been the focus of a previous OIG review, we initiated this audit to assess OSDBU's oversight of its 13 Small Business Transportation Resource Centers. Accordingly, our audit objectives will be to assess OSDBU's (1) processes for establishing the Centers and (2) oversight of the Centers' compliance with cooperative agreements and achievement of program objectives.

We plan to begin this work later this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at OSDBU's Headquarters and its Centers. If you have any questions or need additional information, please contact me at 202-366-5225 or Darren Murphy, Program Director, at 206-255-1929.

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cc: DOT Audit Liaison, M-1

³ The Women in Transportation Initiative is an internship program that is part of a broader effort led by the White House to ensure that Federal programs and policies take into account the distinct needs and concerns of women and girls.