



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

In Fiscal Year 2006, the U.S. Environmental Protection Agency (EPA) made about \$255 million in Superfund Interagency Agreement (IAG) payments to the U.S. Army Corps of Engineers (the Corps). We sought to determine the effectiveness of EPA's selection of the Corps to perform cleanup, as well as EPA's effectiveness in monitoring Corps-conducted cleanups.

Background

The goal of the Superfund program is to clean up hazardous waste sites that pose risks to human health and the environment. EPA accomplishes Superfund goals through a variety of mechanisms, including IAGs. An IAG is a written agreement in which one Federal agency (such as EPA) obtains supplies and services from another agency (such as the Corps) on a reimbursable basis.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2007/20070430-2007-P-00021.pdf

EPA Can Improve Its Managing of Superfund Interagency Agreements with U.S. Army Corps of Engineers

What We Found

EPA needs to better justify and support its decisions to enter into Superfund IAGs with the Corps. Decision memorandums used to justify awarding Superfund IAGs to the Corps did not contain comparisons of alternatives considered. Further, EPA did not develop independent cost estimates. This occurred because EPA generally believes the Corps has more construction and contracting expertise to manage Superfund projects than its own personnel. As a result, EPA has limited assurance that the Superfund IAGs it awards to the Corps are based on sound decisions. EPA regions have initiated some corrective actions, but further steps are needed.

EPA also needs to improve its monitoring of IAGs with the Corps to better manage cost, timeliness, and quality. Specifically, the Agency needs to:

- Ensure the Corps improves the quality and timeliness of monthly invoices and progress reports it submits to EPA.
- Ensure it knows what services the Corps is being paid for and that the amount billed is based on clear supporting documentation.
- Include terms and conditions in IAGs that establish criteria against which the Corps' performance will be evaluated.

EPA regions indicated they were generally very satisfied with the majority of the work performed by the Corps. Nonetheless, EPA needs to better monitor the more than \$250 million it pays to the Corps each fiscal year to clean up Superfund sites. Improved monitoring would also eliminate \$2.5 million in excess and idle Management and Support fees that EPA paid the Corps that could be put to better use in the Superfund program.

What We Recommend

EPA needs to develop its own independent cost estimates for Corps in-house costs, conduct cost analysis of alternatives when determining whether to use the Corps, and document actions taken. EPA also needs to require the Corps to improve the format of its monthly reports, use the Intra-governmental Payment and Collection System to reimburse the Corps for its in-house costs, address the \$2.5 million in Management and Support fees being held by the Corps, include terms in future IAGs to allow better monitoring, and develop a plan on using feedback reports. EPA agreed with all but one of our recommendations, and for this recommendation it proposed an alternative action that meets the intent of our recommendation.