



Homeland Security

February 22, 2006

MEMORANDUM FOR: Michael Bolch
Federal Coordinating Officer
Joint Field Office, Montgomery, Alabama

FROM: C. David Kimble *C. David Kimble*
Audit Manager, Montgomery Joint Field Office
Gulf Coast Hurricane Oversight Office

SUBJECT: *Review of Hurricane Katrina Contracts*
Baldwin County, Alabama
Report Number: GC-AL-06-16

The purpose of this memorandum is to inform you of the results of our review of contracts let by Baldwin County, Alabama, for Hurricane Katrina debris removal and sand reclamation activities. As of October 17, 2005, the County received an award of \$3,975,329 from the Alabama Emergency Management Agency, a FEMA grantee, for these activities. The award provided funding for two projects under which the County let two contracts, as follows:

| Project | Approved Scope of Work | Amount Awarded | Number of Contracts | Estimated Cost of Contracts |
|---------------|------------------------|--------------------|---------------------|-----------------------------|
| 21 | Debris Removal | \$3,411,229 | 1 | \$2,698,109 |
| 281 | Sand Reclamation | \$564,100 | 1 | \$564,100 |
| Totals | | \$3,975,329 | 2 | \$3,262,209 |

The objective of the review was to determine whether the two contracts were let in accordance with federal procurement requirements (44 CFR 13.36) and FEMA guidelines, and whether the County had adequate controls for monitoring the activities of contractors. To achieve this objective, we interviewed County officials, reviewed contract documents, contractor billings, and other relevant documentation.

We concluded that the County complied with federal procurement requirements and FEMA guidelines when awarding the contracts, and that the County's controls for monitoring the activities of contractors were adequate. In this respect, the County procured the services competitively,

maintained detailed contract files, and had sufficient procedures for reviewing and approving the contractors' activities and billings. Because this report contains no recommendations, no further actions are required. If you have any questions concerning this report, please contact me at (770) 220-5240.

The nature and brevity of this assignment precluded the use of our normal audit protocols; therefore, this review was not conducted in accordance with generally accepted government auditing standards. Had we followed such standards, other matters might have come to our attention.

We conducted this review in conjunction with the President's Council on Integrity and Efficiency (PCIE), as part of its examination of relief efforts provided by the federal government in the aftermath of Hurricanes Katrina and Rita. As such, we have forwarded a copy of the report to the PCIE Homeland Security Working Group that is coordinating Inspectors General review of this important subject.

cc: Director, FEMA Region IV
Alabama State Coordinating Officer