



Homeland Security

February 28, 2006

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

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

SUBJECT: *City of Gulf Shores, Alabama*
Report Number: GC-AL-06-18

The purpose of this memorandum is to inform you of the results of our review of contracts let by the City of Gulf Shores for Hurricane Katrina debris removal, sand reclamation activities, and other purposes. The objective of the review was to determine whether the contracted services were procured in accordance with federal procurement requirements (44 CFR 13.36) and FEMA guidelines, and whether the City had adequate controls for monitoring the activities of the contractors. In total, we reviewed 12 contracts, as follows:

Services Procured	Number of Contracts	Estimated Cost of Contracts
Debris Removal	6	\$819,000
Sand Reclamation	2	\$3,587,000
Equipment Rental	1	\$30,000
Beach Cleanup	1	\$58,000
Culvert Cleanup	1	\$47,000
Private Landfill	1	\$415,000
Total	12	\$4,956,000

To achieve our objective, we interviewed City and contractor officials, visited contractor sites, and reviewed contract documents, contractor billings, and other relevant documentation. Our work was performed during October 18-21, 2005.

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

Should you have any questions concerning this report, please contact me at (770) 220-5240.

cc: Under Secretary for Management
Acting Director, FEMA
DHS Chief Procurement Officer
DHS Audit Liaison
Chief of Staff, Joint Field Office
JFO Public Assistance Officer
Alabama State Coordinating Officer
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