



Homeland
Security

14 March 2006

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

FROM: C. David Kimble 
Gulf Coast Audit Manager

SUBJECT: *Review of Hurricane Katrina Contracts
City of Daphne, Alabama
Report Number GC-AL-06-22*

The purpose of this memorandum is to inform you of the results of our review of contracts let by the City of Daphne, Alabama, for Hurricane Katrina debris removal activities. As of October 12, 2005, the city received an award of \$550,200 from the Alabama Emergency Management Agency, a FEMA grantee, for this activity. The award provided funding for one project (Project No. 36) under which the city let one contract.

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

We concluded that the city complied with federal procurement requirements and FEMA guidelines when awarding the contract, and that the city's procedures for monitoring the activities of the contractor were adequate. In this respect, the city procured the debris removal services competitively, maintained detailed contract files, and had sufficient procedures for reviewing and approving the contractor's activities and billings. Because this report contains no recommendations, no further actions are required.

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.

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

cc: Under Secretary for Management
Acting Director, FEMA
Chief Financial Officer, DHS
Chief Procurement Officer, DHS
Audit Liaison, DHS
Chief Financial Officer, FEMA
Senior Procurement Officer, FEMA
Deputy Director, Gulf Coast Recovery
Alabama State Coordinating Officer
FEMA Regional Director, Region IV