



U.S. Department of Agriculture
Office of Inspector General



IIJA – Forest Service Pre-Award Contracting Activities

Inspection Report 08801-0005-51

We determined that the Forest Service did not fully comply with Federal laws and regulations when executing the pre-award contracting process for the sampled contracts from November 15, 2021, to March 31, 2025, resulting in more than \$48.2 million in unsupported costs.

OBJECTIVE

Our objective was to determine to what extent FS complied with Federal laws and regulations when executing the pre-award process for IIJA-funded contracts.

BACKGROUND

IIJA, signed into law on November 15, 2021, provided FS with approximately \$5.5 billion for investments in FS lands to reduce wildland fire risks, restore ecosystems, and invest in natural resources related infrastructure. FS allocated more than \$277.8 million in IIJA funding through 1,890 contracts to execute these missions from November 15, 2021, to March 31, 2025.

REVIEWED

We reviewed the supporting pre-award documentation for a nonstatistical sample of 18 contracts funded in whole or in part by IIJA funds from November 15, 2021, to March 31, 2025.

WHAT OIG FOUND

We found that Forest Service (FS) did not fully comply with Federal laws and regulations governing the pre-award process for 13 of the 18 sampled contracts, we evaluated. Specifically, these contracts were missing one or more of the required pre-award documents, including approved acquisition plans, market research, solicitation reviews, and announcements of award. As a result, FS awarded more than \$48.2 million, including \$19.6 million in Infrastructure Investment and Jobs Act (IIJA) funded obligations, in contracts that were missing one or more of the required pre-award documents. These are unsupported costs (no recovery recommended). These issues weakened FS' ability to make informed decisions, and FS could not demonstrate that the acquisition process was sound, transparent, and in the Government's best interest.

WHAT OIG RECOMMENDS

We recommend that FS: (1) evaluate the pre-award documents for the 13 contracts that had missing documents, which have an overall award value of more than \$48.2 million in unsupported costs, and document conclusions reached, as applicable; and (2) establish and implement oversight controls to ensure that contract file documentation is complete and fully complies with Federal laws and regulations.

FS generally agreed with our finding and recommendations. We accepted management decision on both recommendations. While FS disagreed with the monetary results, it agreed to evaluate the pre-award documents for the 13 contracts with missing documents and document conclusions reached.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: March 26, 2026

INSPECTION

NUMBER: 08801-0005-51

TO: Thomas M. Schultz, Jr.
Chief
Forest Service

ATTN: Erica Banegas
Director of Audit and Assurance
Forest Service

FROM: Kelly McGovern, Acting Deputy Assistant Inspector General for Audit
for Yarisis Rivera-Rojas, Acting Assistant Inspector General for Audit

SUBJECT: IJJA – Forest Service Pre-Award Contracting Activities

This report presents the results of our inspection of IJJA – Forest Service Pre-Award Contracting Activities. Your written response to the official draft is included in its entirety at the end of the report. Based on your written response, we are accepting management decision for all two recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of the date of each management decision. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>) in the near future.

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Background and Objective

Background

The U.S. Department of Agriculture (USDA) Forest Service's (FS) mission is to sustain the health, diversity, and productivity of the nation's forests and grasslands to meet the needs of present and future generations. It manages public lands; conducts forestry research; and provides intergovernmental, technical, and financial support to partner agencies and organizations. In total, FS helps to steward approximately 900 million forested acres in the United States, including 130 million acres in urban areas. FS uses a wide variety of contracts and agreements to execute and achieve these missions.

FS' Contracts Using the Infrastructure Investment and Jobs Act (IIJA) Funding

IIJA,¹ signed into law on November 15, 2021, provided FS with approximately \$5.5 billion for investments in FS lands to reduce wildland fire risks, restore ecosystems, and invest in natural resources related infrastructure. FS allocated more than \$277.8 million in IIJA funding through 1,890 contracts to execute these missions from November 15, 2021, to March 31, 2025. Figure 1 provides a breakdown of the \$277.8 million in FS IIJA obligations and the number of IIJA contracts awarded, by period.

¹ Infrastructure Investment and Jobs Act, Pub. L. No 117-58, 135 Stat. 429 (2021).

FS IIJA Funding Obligations and Contracts from November 15, 2021, to March 31, 2025



Figure 1: FS IIJA Funding Obligations and Contracts from November 15, 2021, to March 31, 2025. Figure by the Office of Inspector General (OIG).

Federal Laws and Regulations Governing the Procurement Process

The Federal Acquisition Regulation (FAR)² is the primary regulation for use by all executive agencies in their acquisition of supplies and services with appropriated funds. The FAR incorporates the requirements and principles of numerous statutory authorities and provides uniform acquisition policies and procedures that most Federal agencies must follow. In addition, USDA established the USDA Acquisition Regulation to supplement the FAR when coverage was needed for subject matter not covered in the FAR. USDA has also published a Contracting Desk Book to provide USDA-wide and subagency/mission area acquisition regulations, policies, procedures, guidance, and information.

According to the FAR, contracting officers are responsible for ensuring all necessary contract actions, including soliciting, awarding, and terminating contracts. The FAR states that contracting officers should be allowed a wide latitude to exercise business judgement; however, they must ensure that contract actions meet all requirements of law, regulations, and applicable procedures. Contracting officers' pre-award responsibilities, unless delegated to other agency staff or designees, may include, among others:

- collaborating on and providing concurrence in all acquisition planning;
- ensuring that sufficient funds are available for obligation;
- using current, accurate, and relevant market research;
- determining and documenting that proposed vendor prices are fair and reasonable; and
- determining that prospective contractors are responsible.

FS' Procurement and Property Services

FS' acquisition and property management functions are centralized within the Washington Office, Procurement and Property Services (PPS). PPS is responsible for policy, oversight, and operational support in the areas of acquisition, property management, and grants and agreements for FS. PPS is divided into sub-organizations including Procurement Management, Field Procurement Operations, National Procurement Operations, Incident Procurement Operations, and Property Management.

Overview of FS' Procurement Process

We focused our inspection on the pre-award process (contract formation) considering all relevant activities from acquisition planning through contract award.³ Figure 2 provides an overview of FS' procurement process by phase and underlying key activities.

² Federal Acquisition Regulation, 48 C.F.R. ch. 1.

³ For purposes of this inspection, the contract award ends the pre-award contracting activities in the procurement process.

FS' Procurement Process and Key Activities



*According to the USDA Contracting Desk Book, the level of activities under each procurement phase may vary depending on the acquisition value and complexity of the good or service procured.

Figure 2: FS' Procurement Process and Key Activities.⁴ Figure by OIG.

Objective

Our objective was to determine to what extent FS complied with Federal laws and regulations when executing the pre-award process for IJJA-funded contracts.

⁴ According to FS guidance, the requesting office is responsible for developing the procurement package which typically includes items such as a requisition checklist, market research, an acquisition plan, funding documentation, an independent Government cost estimate, a description of the requirement, a quality assurance surveillance plan, and evaluation criteria, among other documents. According to FS officials, the requesting office is the primary stakeholder in the procurement Planning/Market Research phase. PPS supports them by assisting in finalizing documents like the acquisition plan and market research.

Finding 1: FS Contract Files Did Not Contain All Pre-Award Documentation Required by Federal Laws and Regulations

We determined that 13 of the 18 IJA-funded contracts we evaluated did not fully comply with Federal laws and regulations governing the pre-award process. Specifically, these contracts were missing one or more of the required pre-award documents, including approved acquisition plans, market research, solicitation reviews, and announcements of award. This occurred because the FS' contracting process lacked adequate oversight. As a result, FS awarded more than \$48.2 million in contracts that were missing one or more of the required pre-award documents.⁵ These are unsupported costs (no recovery recommended). These issues weakened FS' ability to make informed decisions, and FS could not demonstrate that the acquisition process was sound, transparent, and in the Government's best interest.

FAR § 4.801(b) requires that documentation in contract files be sufficient to constitute a complete history of the contract to provide (1) a basis for informed decisions, (2) support for actions taken, (3) information for reviews, and (4) essential facts in the event of litigation or congressional inquiries.

Additionally, the USDA Contracting Desk Book requires contracting officers to use the Integrated Acquisition System (IAS) as the official system for storing complete contract files and mandates that mission area senior contracting officials⁶ ensure all contracts awarded in the system contain their complete, corresponding contract file.⁷

We selected a nonstatistical sample of 18 IJA-funded contracts, valued at more than \$118.9 million, from a universe of 1,303 contracts totaling more than \$543 million, awarded between November 15, 2021, and March 31, 2025. We selected these contracts based on factors including fiscal year, procurement type, and contracting office. We reviewed FS contract files within USDA's IAS Procurement Request Information System Module, to determine FS compliance with Federal laws and regulations when executing the pre-award process for IJA-funded contracts. Figure 3 illustrates the issues we identified during our review of those contracts.

⁵ The more than \$48.2 million in unsupported costs includes \$19.6 million in IJA-funded obligations with the remaining funding being provided by other sources including regular appropriations.

⁶ Mission area senior contracting official means the official designated by the senior procurement executive or head of the contracting activity with specific responsibilities within an individual mission area's contracting activity.

⁷ USDA Contracting Desk Book v.4.0 (Jan. 16, 2025).

Summary of Pre-Award Document Issues



Figure 3: Summary of Pre-Award Document Issues. Figure by OIG.

See Exhibit B for further details on the identified contract file issues, including sample number, contract type, contract value, and the type of missing pre-award document.

FS officials acknowledged that the required pre-award documentation was missing from the contract files and attributed this to several factors, including a lack of adequate oversight. Because pre-award documentation is missing, the complete history of the contract is not documented in the contract file, as required by FAR 4.801(b). Furthermore, FS lacks assurance that IJJA funds were committed to contracting activity that was necessary, reasonable, and in the Government's best interest. As a result, we are questioning the approximately \$48 million spent on contracts that lacked proper pre-award documentation as unsupported costs. We are not

recommending recovery because FS has already executed these contracts, and most have reached their completion dates.

Recommendation 1

Evaluate the pre-award documents for the 13 contracts that had missing documents, which have an overall award value of more than \$48.2 million in unsupported costs, and document conclusions reached, as applicable.

Agency Response

FS agreed with the recommendation but did not agree with the monetary results. FS stated that the missing pre-award documents were not significant in terms of their impact on the underlying cost support or the determination that the contract awards were reasonable, appropriate, and in the best interest of the Government. In response to this recommendation, FS will evaluate the pre-award documents for the 13 contracts that had missing documents and document conclusions reached.

FS provided an estimated completion date of February 18, 2027.

OIG Position

We accept management decision for this recommendation. However, we disagree with the agency's position on the monetary results. The required and missing approved acquisition plans, documented market research, and/or documented and approved solicitation reviews are critical documents needed for making the determination that contract awards were reasonable, appropriate, and in the best interest of the Government. For Final Action, FS needs to provide the Office of the Chief Financial Officer (OCFO) detailed information pertaining to the evaluation of the 13 contracts that had missing documents along with the conclusions reached.

Recommendation 2

Establish and implement oversight controls to ensure that contract file documentation is complete and fully complies with Federal laws and regulations.

Agency Response

FS agreed with the recommendation. In response to this recommendation, FS will work with the USDA, Office of Contracting and Procurement to establish and implement oversight controls to ensure that contract file documentation is complete and fully complies with applicable Federal laws and regulations.

FS provided an estimated completion date of February 18, 2027.

OIG Position

We accept management decision for this recommendation. For Final Action, FS needs to provide the OCFO detailed information pertaining to the establishment and implementation of oversight controls that would ensure that contract file documentation is complete and fully complies with applicable Federal laws and regulations.

Scope and Methodology

We conducted an inspection on FS' pre-award contracting process for IJA-funded contracts to determine the extent of FS' compliance with Federal laws and regulations. The scope of our work included FS contracts funded in whole or in part by IJA from November 15, 2021, to March 31, 2025. We selected a nonstatistical sample of 18 contracts. We performed our fieldwork remotely with FS officials to gain an understanding of the pre-award contracting process.

We performed our inspection fieldwork from May 2025 through February 2026. We discussed the results of our inspection with FS on February 11, 2026, and included their comments, as appropriate.

To accomplish our inspection objective, we:



Reviewed applicable laws, regulations, and FS policies to gain sufficient knowledge of the pre-award contracting process.



Analyzed IJA-funded contracts data within the scope period.



Interviewed FS officials to gain an understanding of the pre-award contracting process.



Reviewed supporting documentation for a nonstatistical sample of IJA-funded contracts to verify the contract files contained all required pre-award documents.

We identified the internal controls principles that were significant to the inspection objective. We did not design our inspection work to assess these internal control components and underlying principles.

To avoid duplication of effort with previous OIG work, we excluded 587 incident contracts from the 1,890 IJA-funded contracts universe totaling more than \$588 million (more than \$277 million in IJA-funded obligations).⁸

Using IAS data, we selected a judgmental sample of 18 contracts, valued at more than \$118.9 million, from a universe of 1,303 contracts, awarded between November 15, 2021, and March 31, 2025. We based our selection on the following factors:

- (1) the contract with the highest dollar value for each fiscal year;
- (2) the contract with the highest dollar value from each of the top 16 contracting offices, which collectively manage 90 percent of all IJA funding;
- (3) contracts representing a mix of award types, including blanket purchase agreement (BPA) calls, definite contracts, task orders, and purchase orders;

⁸ See Inspection Report 08801-0004-41, [Assessment of Forest Service's Preseason Procurement Awards](#), May 2025, for a review of pre-award activities that include incident contracts.

- (4) contracts from all PPS sub-organizations represented in the universe; and
- (5) contracts from all four FS procurement zones (East, Intermountain, Northwest, and Southwest).

We evaluated the 18 selected contract files to assess FS' compliance with 17 specific pre-award criteria. We determined whether the required documentation existed and fully supported compliance with Federal laws and regulations. When documentation was absent, we provided FS an opportunity to locate those documents within their files before denoting its absence in this report.

We did not independently review or assess the agency's information system(s); therefore, we make no representation regarding the adequacy of the agency's computer system(s), or the information generated from it.

The inspection was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Abbreviations

BPA.....	blanket purchase agreement
FAR.....	Federal Acquisition Regulation
FS.....	Forest Service
IAS.....	Integrated Acquisition System
IIJA.....	Infrastructure Investment and Jobs Act
NRE.....	Natural Resources and Environment
OCFO.....	Office of the Chief Financial Officer
OIG.....	Office of Inspector General
PPS.....	Procurement and Property Services
USDA.....	U.S. Department of Agriculture

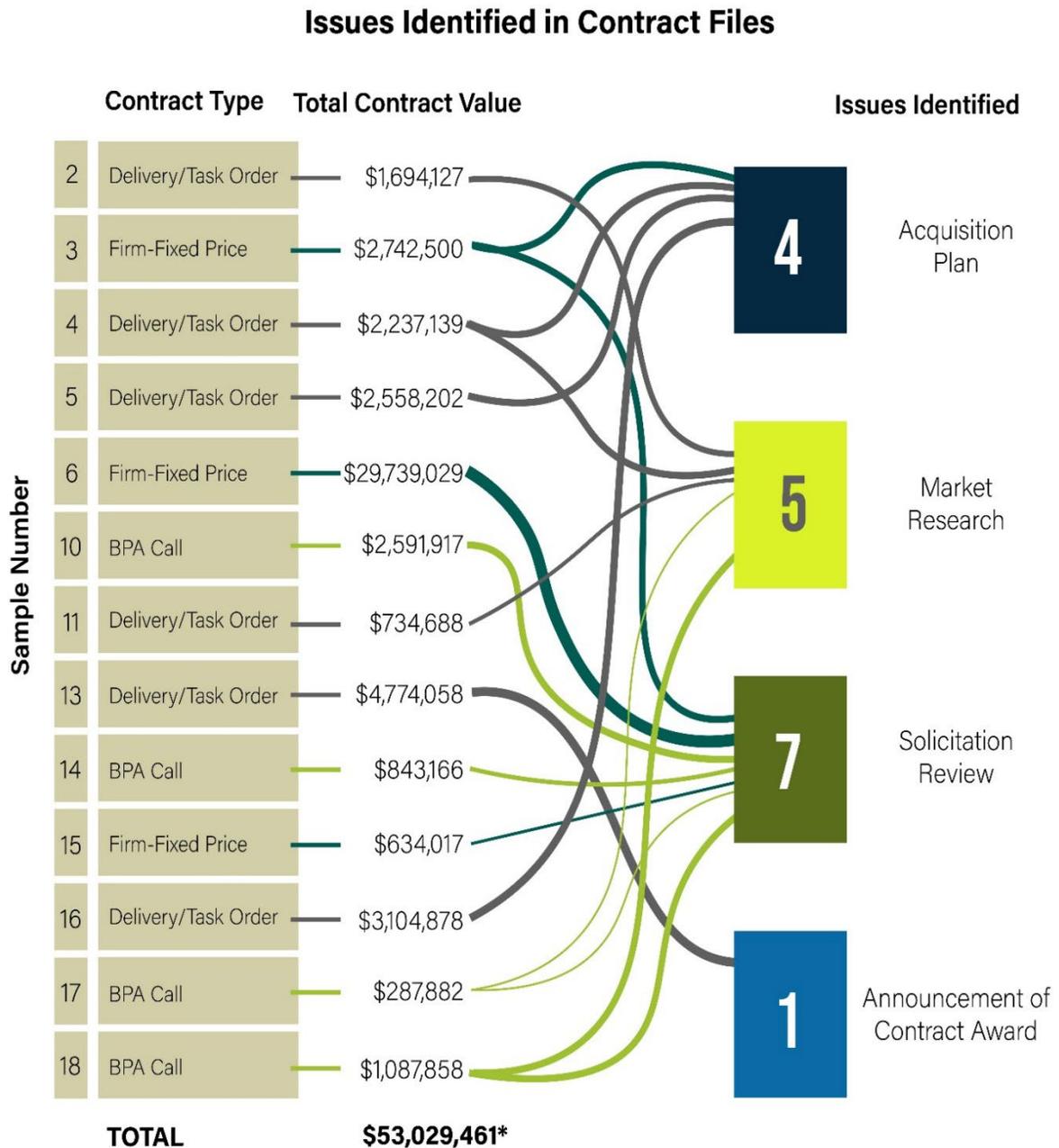
Exhibit A: Summary of Monetary Results

Exhibit A summarizes the monetary results for our inspection report by finding and recommendation number.

Finding	Recommendation	Description	Amount	Category
1	1	FS Contract Files Did Not Contain All Pre-Award Documentation Required by Federal Laws and Regulations.	\$48,255,403	Unsupported Costs – No Recovery
Total			\$48,255,403	

Exhibit B: Issues Identified in Contract Files

Exhibit B summarizes the issues identified in contract files by sample number, contract type, contract value, and the type of missing pre-award document.



* We excluded contract sample number 13 (\$4,774,058) from our monetary results/questioned costs because that contract action only lacked the announcement of award. We excluded this contract from our monetary results because all the other required and essential pre-award documentation evaluated for this contract was present and complete in the contract file. The absence of the announcement of award, while a procedural deficiency, did not affect the fundamental requirements of the pre-award process.

Exhibit C: Pre-Award Evaluation Criteria

Exhibit C details the criteria used to evaluate FS' pre-award contracting process.

Number	Pre-award Criteria	Governing Source	Description of Requirement
1	Acquisition Plan	FAR § 7.105(b)(21)	Requires written and approved acquisition plans.
2	Funding Commitment	FAR § 32.702	Requires contracting officers to obtain written certification from a fiscal authority confirming funds are available before contract execution.
3	Market Research	FAR § 10.001(a)(3)	Requires agencies to use the results of market research to determine whether capable sources exist and whether commercial or non-developmental items can satisfy, or be modified to satisfy, the Government's requirements.
4	Description of Agency Needs	FAR § 11.002(a)(2)(i)(A)	Requires Federal acquisition officials to describe requirements for supplies or services in terms of functions to be performed.
5	Alignment of IJJA-Funded Contracts with Statutory Goals	31 U.S.C. § 1301(a)	Requires that appropriations be applied only to the objects for which the appropriations were made except as otherwise provided by law.
6	Quality Assurance Surveillance Plan	FAR § 46.401(a)	Requires that quality assurance surveillance plans be prepared alongside the statement of work to specify the work requiring surveillance and the methods used.
7	Independent Government Cost Estimate	FAR § 36.203(a)	Requires that an independent Government estimate of construction costs be prepared and furnished to the contracting officer for every proposed contract and for each contract modification expected to exceed the simplified acquisition threshold.
8	Evaluation Criteria	FAR § 15.304(d)	Requires that all factors and significant subfactors that will affect contract award and their relative importance shall be stated clearly in the solicitation.
9	Davis-Bacon Act Wage Determination	USDA Contracting Desk Book v.4.0, Subpart 436.1 –	Requires that, as of October 23, 2023, all new solicitations and contracts must incorporate the applicable wage

Number	Pre-award Criteria	Governing Source	Description of Requirement
		General (Jan. 16, 2025)	determination for each type of substantial construction involved.
10	Standard Form 1449	FAR § 12.204(a)(1)	Requires contracting officers to use the Standard Form 1449 for a paper solicitation or contract that exceeds the simplified acquisition threshold and is not using certain simplified procedures.
11	Solicitation Review and Approval	USDA Natural Resources and Environment (NRE), <i>Procedures, Guidance, and Information v3.0</i> , § 4G01.601-91, “NRE Review and Approval Thresholds, Processes, and Oversight,” (Dec. 2021).	Requires solicitation reviews and approvals by a designated authority based on the contract’s estimated value, unless previously approved under a consolidated or indefinite action.
12	Proposal Evaluation and Award Decision	FAR § 15.304(a)	Requires that the award decision is based on evaluation factors and significant subfactors that are tailored to the acquisition.
13	Price Analysis for Commercial Acquisitions	FAR § 15.403-3(c)	Requires contracting officers to use price analysis to determine whether the price is fair and reasonable whenever the contracting officer acquires a commercial product or commercial service.
14	Price Analysis for Simplified Acquisition Procedures	FAR § 13.106-3(a)(1)	Requires contracting officers to determine that the proposed price is fair and reasonable and to base that determination on competitive quotations or offers whenever possible.
15	Prerenegotiation Objectives	FAR § 15.406-1(b)	Requires contracting officers to establish prerenegotiation objectives before the negotiation of any pricing action.
16	Price Negotiation Memorandum	FAR § 15.406-3(a)(11)	Requires contracting officers to include documentation in the contract file that provides the basis for determining that the negotiated price is fair and reasonable.

Number	Pre-award Criteria	Governing Source	Description of Requirement
17	Announcement of Contract Award	FAR § 5.303(a)	Requires contracting officers to make information available for public announcement of contract awards over \$4.5 million on the day of award unless an exception applies.

**Forest Service's
Response to Inspection Report**



DATE: March 17, 2026

TO: Yaris Rivera-Rojas
Assistant Inspector General for Audit
USDA Office of Inspector General

FROM: Thomas M. Schulz, Jr. //s//
Chief
Forest Service

SUBJECT: Response to Recommendations in OIG Engagement No. 08801-0005-51

The Forest Service submits the following response to the recommendations in the Office of Inspector General's (OIG) engagement 08801-0005-51 IJA – Forest Service Pre-Award Contracting Activities.

Recommendation 1: Evaluate the pre-award documents for the 13 contracts that had missing documents, which have an overall award value of more than \$48.2 million in unsupported costs, and document conclusions reached, as applicable.

Agency Response:

Agree with recommendation: Yes No Agree with monetary results: Yes No N/A

Forest Service generally agrees with this finding and recommendation. We concur that one or two required pre-award documents were not retained in the official contract files for 13 contracts reviewed. The agency will evaluate the pre-award documents identified and document the conclusions reached for each of the 13 contract files.

The missing one or two pre-award documents were not significant in terms of their impact on the underlying cost support or the determination that the contract awards were reasonable, appropriate, and in the best interests of the Government.

Completion or Estimated Completion Date: *February 18, 2027*

Recommendation 2: Establish and implement oversight controls to ensure that contract file documentation is complete and fully complies with Federal laws and regulations.

Agency Response:

Agree with recommendation: Yes No Agree with monetary results: Yes No N/A

In response to this recommendation, the Forest Service will work with the USDA, Office of Contracting and Procurement to establish and implement oversight controls to ensure that

contract file documentation is complete and fully complies with applicable Federal laws and regulations.

Completion or Estimated Completion Date: *February 18, 2027*

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