



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The U.S. Environmental Protection Agency (EPA), Office of Inspector General, conducts site visits of American Recovery and Reinvestment Act of 2009 (Recovery Act) funded clean water and drinking water projects. We selected the project in the Ingenio Community, Toa Baja, Puerto Rico, for review.

Background

The Ingenio Community, Toa Baja, project received \$12,705,360 of Recovery Act funds under the Clean Water State Revolving Fund program—\$910,832 for principal forgiveness and a \$11,794,528 loan. The loan agreement is between the Puerto Rico Infrastructure Finance Authority, acting on behalf of the Commonwealth of Puerto Rico, and the Puerto Rico Aqueduct and Sewer Authority (PRASA).

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

The full report is at:
www.epa.gov/oig/reports/2011/20110524-11-R-0233.pdf

American Recovery and Reinvestment Act Site Visit of Sanitary Sewer System Improvements, Ingenio Community, Toa Baja, Puerto Rico

What We Found

We conducted an unannounced site visit of the Sanitary Sewer System Improvements Project in the Ingenio Community, Toa Baja, Puerto Rico, in August 2010. We toured the project site and interviewed personnel from PRASA, its project management consultants and subcontracted field inspectors, the Puerto Rico Environmental Quality Board, and the prime contractor and one subcontractor. We reviewed documentation related to Recovery Act requirements. Our site visit found ongoing construction activity in four separate locations, all related to the sanitary sewer system improvement project. The main area of construction activity was located at the vacuum pump station.

During our review, PRASA informed us of a potential Buy American noncompliance and the actions being taken to resolve the matter. Also, we identified two subcontract agreements that did not contain the Recovery Act requirements. The prime contractor submitted a signed amendment for only one of the two subcontracts, stating that the other subcontractor was no longer working on the project. Nonetheless, the prime contractor should obtain that amendment from the second subcontractor.

What We Recommend

We recommend that the Regional Administrator, Region 2, follow up with PRASA on the resolution of the potential Buy American noncompliance issue. We also recommend that the Regional Administrator require PRASA to verify that each of the prime contractor's subcontract agreements include the applicable Recovery Act clauses and ensure the requirements were adhered to. Region 2 and PRASA agreed with the findings and recommendations. The Puerto Rico Environmental Quality Board did not provide any comments on our findings and recommendations.