



U.S. Department
of Transportation
**Federal Highway
Administration**

Memorandum

Subject: **ACTION**: Analysis Methods for
Detecting Potential Anticompetitive
Bidding

Date: March 10, 2025

From: Brian R. Hogge 
Director, Office of Preconstruction,
Construction, and Pavements

In Reply Refer To:
HICP-1

To: Division Administrators
Directors of Field Services

Recently the Office of Inspector General (OIG) completed its audit assessing competition in highway procurement. The final report, titled *A More Systematic Approach is Needed to Identify Potential Anticompetitive Bidding in Federal-aid Highway Projects* (Report EC2025019), is available on the OIG website at <https://www.oig.dot.gov/library-item/46639>.

The report made one recommendation: *Amend FHWA guidance to recommend that State DOTs conduct frequent, regular, systematic reviews of procurements made over multiple years using specific statistics to identify anticompetitive bidding patterns and, to the extent practical, reduce reliance on historical data when developing engineer's estimates.*

Therefore, we request that, by March 14, 2025, you share with your State departments of transportation (State DOTs) the OIG's recommendation for enhancing their bid analysis procedures, by specifically recommending the following State actions:

1. Conduct frequent, regular, and systematic reviews of procurements made over multiple years, using specific statistics, such as those identified in the OIG report, as a means of identifying potential anticompetitive patterns. OIG notes that using consistent statistics across projects over the review period will improve this identification effort, and
2. Reduce the use of historical data when developing an engineer's estimate, to the extent practical.

As stated in our management response letter, FHWA will coordinate with the American Association of State Highway and Transportation Officials and other interested parties to begin investigating whether there are other systematic approaches beyond existing techniques that can be validated in detecting possible anticompetitive behavior. Based on the results, we will update guidance to State DOTs accordingly.

Except for any statutes and regulations cited, the contents of this document do not have the force and effect of law and are not meant to bind the States or the public in any way. For questions about the OIG audit, please contact Jennifer Balis (Jennifer.Balis@dot.gov) or Edwin Okonkwo (Edwin.Okonkwo@dot.gov).

cc: Associate Administrators, Chief Counsel, Chief Financial Officer