

Audit 2025-17534 – Kiewit Power Constructors Company – Contract No. 13156

Report Summary

We performed an audit of costs billed to the Tennessee Valley Authority (TVA) by Kiewit Power Constructors Company (Kiewit) under Contract No. 13156 for work performed in support of TVA's coal combustion residual conversion program. Our audit objective was to determine if the costs billed to TVA were in accordance with the contract's terms. Our audit scope included approximately \$133.7 million in costs billed to TVA between January 1, 2023, and September 30, 2024.

In summary, we determined Kiewit overbilled TVA \$51,251, including (1) \$24,192 in ineligible fee and general and administrative costs, of which \$8,097 was due in part to contradictory language in the contract, (2) \$15,957 in a duplicate materials cost, and (3) \$11,102 in incorrect craft labor costs. We also determined Kiewit billed TVA for reimbursement of temporary living allowance (TLA) costs that were not supported. Specifically, Kiewit billed TVA an average of \$4,396 per month per employee for TLA. However, Kiewit only provided documentation supporting an average of \$2,310 per month per employee in TLA costs incurred. Based on our analysis and Kiewit's inability to provide documentation supporting the full amount of TLA costs it incurred, we have referred this matter to the Office of the Inspector General Investigations for further review. In addition, we noted opportunities to improve contract administration by TVA related to (1) tax exemption requests, (2) craft labor rate schedules that did not match the Project Labor Agreement, and (3) TLA employee certification forms that were not notarized as required by the contract.