



American Recovery and Reinvestment Act of 2009



Agency-Wide Recovery Act Plan



Submitted: Friday May 15, 2009

Table of Contents

I. Broad Recovery Act Goals	3
II. Funding Summary Table by Appropriation Title	6
III. Agency Coordination	7
<i>Data Consolidation</i>	7
<i>Executive Accountability Board</i>	8
<i>Jobs Reporting</i>	9
<i>Financial Stewardship</i>	11
<i>Financial Assistance</i>	11
<i>Communications</i>	11
<i>Information Technology (IT)</i>	12
<i>Geographic Information Systems (Mapping)</i>	13
IV. Management Oversight	14
<i>Progress and Performance Measurement</i>	14
Overall Progress Tracking and Performance Improvement	14
Performance Tracking and Measurement	14
Public Performance Monitoring	15
<i>Risk and Corrective Actions</i>	16
Step 1: Risk Assessment Questionnaire	16
Step 2: Risk Profile	17
Step 3: Risk Mitigation Strategy Template	17
Step 4: Risk Strategy Validation & Testing	18
Appendix A: Recovery Act Obligation and Outlay Plan	19
Appendix B: Contracts	22
<i>Competition for Contracts</i>	22
<i>Fixed-Price Contracting</i>	22
OST B-10	2
5/15/2009	

I. Broad Recovery Act Goals

The Department's broad recovery goals reflect those of the Recovery Act, primarily (1) creating and preserving jobs and promoting economic recovery and (2) investing in infrastructure that has long-term economic benefits. The former goal requires the Department to spend Recovery Act funds quickly on projects that will contribute to the Federal government's larger efforts to promote economic recovery. The latter goal requires the Department to invest Recovery Act funds in projects that provide long-term benefits for the Nation's transportation systems.

The transportation programs funded by the Recovery Act are consistent with these broad goals. A significant amount of the Department's Recovery Act funding is provided to State and local transportation authorities through existing program structures, which helps ensure that these funds will be used for "shovel ready" projects to create and preserve jobs as quickly as possible.

The Department of Transportation received a total of \$48.1 billion, of which \$38.6 billion was distributed through existing funding programs. Highway formulas will be used to distribute \$27.5 billion, \$8.4 billion through transit programs, \$1.3 billion through aviation programs, \$1.3 billion to Amtrak, and \$100 million in grants to shipyards. While these funds are distributed using methods that were already in place before the Recovery Act, the Act also subjects many of them to "use or lose" provisions that ensure recipients spend funds, put people to work and contribute to our economic recovery quickly.

Much of this funding is distributed directly to the States, who will determine how it is spent on eligible projects. Therefore, achievement of the Department's goals and the goals of the Recovery Act relies heavily on prudent and strategic decisions made at the State and local levels. DOT will monitor the States' investment decisions, and while the Administration has publicly expressed its policy preferences in a variety of forums, it does not have authority to override decisions made by the States.

The Recovery Act also created new programs that reflect the intent of both Congress and the Administration to create long-term economic benefits by investing in a transportation network that can keep us competitive in the 21st century. The Recovery Act includes \$8 billion to jumpstart high-speed and intercity rail programs in the United States. This investment is not likely to provide the immediate economic recovery benefits that could be achieved through investments in existing highways and transit systems, but it represents a down payment for our efforts to transform travel in the United States and helps ensure that we reap benefits from our transportation systems for years to come. President Obama has also proposed to budget \$1 billion in each of the next five

years, in addition to the Recovery Act's \$8 billion investment, to ensure that the Federal commitment to high-speed rail continues.

According to the Federal Railroad Administration's High Speed Rail Strategic Plan, the goals of this new program are to ensure safe and efficient transportation choices, build a foundation for economic competitiveness, promote energy efficiency and environmental quality, and support interconnected livable communities. These goals dovetail with the priorities that Secretary LaHood has established for the Department, which include economic recovery and growth, improving the safety of our transportation facilities and systems, improving the sustainability of our transportation systems, and investing in transportation that supports livable communities.

The Recovery Act also created a new \$1.5 billion discretionary grant program administered by the Secretary's office that will invest in projects that provide long-term economic benefits. This program presents the Department with a unique opportunity both to promote short-term economic recovery and also to focus the Federal transportation investment process on projects that are expected to provide benefits well into the future.

Unlike any other U.S. DOT program, the Secretary's discretionary grant program is multi-modal, allowing the Department to consider the benefits of investments in highway, transit, rail (passenger or freight), ports or inter-modal projects. The program also aims to ensure that investments are made in both urban and rural transportation facilities and systems and that an equitable geographic distribution of funding is achieved.

A new Federal Transit Administration grant program funded by the Recovery Act (*Transit Investments for Greenhouse Gas and Energy Reduction*) likewise provides an opportunity for the Department to signal a shift in the Nation's long-term approach to transportation investment. Projects will compete for grant funds based on how much their proposed capital investment is expected to reduce energy consumption or greenhouse gases, or both. According to Secretary LaHood, "this grant program establishes the transit industry as a leader in reducing America's dependence on foreign oil, addressing global climate change and creating green jobs."

The Department also recognizes the role its Recovery Act funding can play in shaping more livable communities around the country and building a strong middle class. The Secretary recently participated in a meeting of Vice-President Biden's Middle Class Task Force at the New Flyer Bus Company of America in St. Cloud, Minnesota, which builds low-emission, alternative fueled buses. This meeting highlighted the role of transportation in creating opportunities for American workers to build a cleaner, greener environment.

The Department is also focused on providing unprecedented transparency and accountability for all of its Recovery Act funding. In accordance with President Obama's March 20th memorandum, this includes ensuring that discretionary grants are awarded using merit-based criteria and that registered lobbyists do not unduly influence the Department's decision-making.

This focus on transparency and accountability is reflected in heightened management attention to grant, contract, and loan procedures and aggressive, Department-wide risk assessment and mitigation efforts. Even before the Recovery Act was passed in Congress and signed into law by President Obama, the Department created a special team, comprised of senior leadership from throughout the Department, to ensure that any Recovery Act funds appropriated to the Department would be spent quickly, wisely and transparently. This team, known as the TIGER Team (Transportation Investment Generating Economic Recovery), coordinates the Department's role in the economic recovery effort.

The Department has already begun to use the \$48.1 billion appropriated under the Recovery Act for a variety of transportation projects around the country. These projects range from renovating a taxiway and relocating a ramp at the Allegheny County Airport in Pennsylvania; to widening I-94 in Kalamazoo County, Michigan; to completing the Central Phoenix/East Valley Light Rail Project in Phoenix, Arizona; to replacing a major drawbridge on Amtrak's Northeast Corridor. In each case the outcome is clear: the Department's goals of short-term job creation and preservation, and investment in long-term economic efficiency are being achieved.

II. Funding Summary Table by Appropriation Title

This table includes only the amounts appropriated to each DOT Recovery Act program. A monthly obligation and outlay plan is included in Appendix A.

Operating Administration	Treasury Symbol	Budget Authority (\$million)	Program Name
Office of the Secretary of Transportation	69-0106	1,500	Supplemental Discretionary Grants for a National Surface Transportation System
Federal Aviation Administration	69-1304	200	Facilities and Equipment
	69-1306	1,100	Grants-in-Aid to Airports
Federal Highway Administration	69-0504	27,500	Highway Infrastructure Investment
Federal Railroad Administration	69-0724	1,300	Capital Grants to the National Railroad Passenger Corporation
	69-0718	8,000	Capital Assistance for High Speed Rail Corridors
Federal Transit Administration	69-1133	750	Capital Investment Grants
	69-1102	750	Fixed Guideway Infrastructure Investment
	69-1101	6,900	Transit Capital Assistance
Maritime Administration	69-1771	100	Assistance to Small Shipyards
Office of Inspector General	69-0131	20	Salaries and Expenses
TOTAL	-----	48,120	Transportation Total

III. Agency Coordination

Two weeks before the Recovery Act was signed, U.S. Transportation Secretary Ray LaHood created the TIGER Team (Transportation Investment Generating Economic Recovery) to coordinate its role in President Obama's economic recovery program. The team was tasked with ensuring that funding under the Recovery Act is rapidly made available for transportation infrastructure projects and that project spending is monitored and transparent. The TIGER Team is composed of approximately 60 officials from across the Department's operating administrations and offices. The team is co-chaired by the Deputy Assistant Secretaries for Budget and Programs, and for Transportation Policy.

The TIGER Team is responsible for coordinating the Department's role in prioritizing Recovery Act transportation investments, distributing funds to State and local governments quickly, and monitoring the distribution of funds. The team is developing financial reporting standards, measuring performance, managing risk, and reporting job creation. A virtual workspace for Recovery Act activity has been created on the Department's SharePoint site, and is being used to facilitate collaboration, report critical TIGER Team deadlines, and share data.

Eight TIGER Team working groups have been created to address specific areas that require agency-wide coordination. Each working group is led by senior staff and attended by issue-area experts from across the Department. Most groups meet weekly. The TIGER Team working groups are as follows:

1. Data Consolidation
2. Executive Accountability Board
3. Jobs Reporting
4. Financial Stewardship
5. Financial Assistance
6. Communications
7. Information Technology
8. Geographical Information Systems (Mapping)

The TIGER Team meets weekly to report on program-specific and working group challenges, milestones and deliverables. The TIGER team co-chairs submit weekly reports to the Recovery.gov website, brief the Secretary on weekly accomplishments, and ensure that all reporting deadlines in the OMB guidance and from Congress are met. Each of these groups will be discussed below.

Data Consolidation

This working group is tasked with responding to the data reporting requirements of the Recovery Act. The Department is gathering data on its funding programs

and reporting this data to Recovery.gov and to Congress with an unprecedented level of detail and frequency. The working group has developed strategies for gathering this information as efficiently and unobtrusively as possible, with particular attention to data quality, and expects to dissolve once these new reporting practices are well established and running smoothly.

In order to gather the data, the working group has modified one of the Department's existing data collection systems to perform the data consolidation and reporting tasks set forth below in a web application situated on the Department's intranet.

The new application is called the "TIGER COLLECTOR Reporting Tool," or "TCRT." The TCRT will have a presence on both the Department's intranet and a public-facing interface. The data reporting functions will conform to the Office of Management and Budget (OMB) implementation guidance, architecture specifications, and templates. The TCRT is serving as the final Departmental repository for the following reports required by the Recovery Act or OMB guidance:

1. Recovery Act section 1201 reporting by Recovery Act funding recipients
2. Recovery Act section 1609 NEPA status reporting, and Presidential Quarterly Report

The working group is also looking at other options across the Federal government to gather this data.

Executive Accountability Board

This working group includes senior management from the Offices of Administration, Budget, Policy, and General Counsel within the Office of the Secretary of Transportation, along with representatives from the five operating administrations receiving Recovery Act funding. The Board also includes staff from both the Office of Inspector General (OIG) and the Government Accountability Office (GAO).

A key purpose of the working group is to encourage communication between the audit community and audited entities in the Department, facilitate dissemination of information on best practices that result from OIG/GAO activity, and provide a forum to help ensure that the audit community is aware of current actions by the Department while the Department is kept apprised of actions taken and underway by GAO and OIG.

One important initiative of the working group has been the development of a tracking system, named the Recommendation Action Tracking System, or "RATS." This integrated system tracks each Recovery Act-related

recommendation across the Department with detailed information on the recommendation, the individual responsible for action related to the recommendation, action status, and the results of the action. The system was developed during January and February, and implemented in March 2009.

The working group will also serve to expedite action on Recovery Act-related reports issued by OIG and GAO. It already took responsibility for responding to the OIG's first report on Lessons Learned for Recovery Act implementation, and will lead efforts to respond to the recommendations and to close out final action on these recommendations. Similar efforts for OIG and GAO reports will continue throughout the duration of the Recovery Act.

For initial review, GAO selected a core group of 16 states to follow government-wide use of Recovery Act funds. GAO will examine and evaluate states' and localities':

1. Planning and decision-making processes;
2. Decisions and justifications for spending Recovery Act funds;
3. Planned accountability approaches;
4. Up-front controls and best practices for grant and contract management;
5. Safeguards against fraud, waste, and abuse; and
6. Assessments of impact.

This review will likely continue through the course of Recovery Act implementation and will involve examination of the use of all Recovery Act funds from across the Federal government. Results from these longitudinal reviews are being issued every 60 days, beginning April 17, 2009. GAO is also planning to implement transportation-specific reviews related to Recovery Act implementation. These include an examination of the Federal Highway Administration's and Federal Transit Administration's formula funding programs. Special focus will also be given to the Secretary's new discretionary grant program and the Federal Railroad Administration's new high speed and intercity rail program.

OIG is planning a phased approach to Recovery Act funding oversight. The first phase includes reviewing acquisition and oversight workforce needs, whether effective grant and financing systems are in place, and what oversight mechanisms exist. In a subsequent phase, an environmental scan will be used to drill down into operating administration practices, looking for potential problem areas to guide future inquiries.

Jobs Reporting

This group has been coordinating the Department's response to the two separate jobs reporting requirements required by the Recovery Act in Sections 1512 and

1201. The OMB guidance includes government-wide instructions for Section 1512 jobs reporting, which are direct reporting requirements for grant recipients.

While grant recipients have the direct reporting requirement under Section 1512, the Department is directly responsible for Section 1201 job reporting and OMB implementation guidance does not address these requirements. As a result, this working group prepared its own draft guidance for these jobs estimates, and distributed it to the operating administrations on April 10, 2009.

Grant recipients are required to provide Section 1201 jobs reports to the operating administrations on an irregular schedule:

- 90 days after enactment
- 180 days after enactment
- 1 year after enactment
- 2 years after enactment
- 3 years after enactment

The first report is due to the operating administrations on May 18, 2009. The Department will be required to compile these reports and transmit them to Congress 30 days later.

Recipients will only report direct, on-project jobs billed directly to the project. This includes prime contractors, sub-contractors, second tier contractors and State labor. Each operating administration will then estimate the number of "indirect" and "induced" jobs based on the number of direct jobs, and will use these estimates to develop the Section 1201 reports to Congress.

The web-based TIGER Collector system developed by the data consolidation working group will assist the operating administrations in collecting the required jobs data from grants recipients. The Collector includes a password-protected data-reporting website accessible to grant recipients. FHWA has developed its own data collection system, but the other operating administrations will collect direct job data from grant recipients through this system. Operating administrations will be responsible for reviewing the quality of data submitted by grant recipients.

The reported direct jobs information will be used to make estimates of indirect and induced jobs. By April 29, 2009, FHWA, in cooperation with other operating administrations, will have awarded a contract to a private sector vendor to develop a model to estimate indirect and induced jobs associated with grant awards through the Recovery Act. This information will be used to supplement information provided through the TIGER Collector under Section 1201, as well as job data submitted by grant recipients to OMB under Section 1512.

Financial Stewardship

This working group serves as a forum for budget and finance staff from across the agency to address the challenges they face in fulfilling the financial reporting requirements of the Recovery Act. Its focus has been on identifying, tracking and reporting Recovery Act funding within DELPHI (the Department's financial management system). The Department has successfully run all financial reporting for the Recovery Act through this system, and anticipates continued success with this method. The group is also developing procedures to ensure consistent reporting of funds moved through reimbursable agreements or transferred outside of the originating operating administration.

In addition to financial reporting and data collection, members of this working group have developed risk assessment procedures and guidance for the operating administrations that are currently being implemented. These procedures will be discussed in greater detail in Section IV of this report.

Financial Assistance

This working group serves as a forum for acquisition and grants officers from the operating administrations to address any issues or challenges faced in fulfilling the requirements of the Recovery Act and share best practices learned. Staff members from the OIG also attend the meetings to advise of perceived risks and to learn how the modal administrations are complying with the Recovery Act's oversight requirements after grants are awarded. A Grants Executive Board has also been created to manage risk for all of the Department's financial assistance programs, including those associated with the Recovery Act.

The working group found that financial assistance reporting and oversight are significant issues facing modal administrations, and addressing them may require additional staffing. Operating administrations are reviewing possible risk areas and exploring mitigation strategies.

The working group is scheduled to meet weekly for the next two to three months. The Grants Executive Board is expected to meet monthly.

Communications

This working group coordinates major Recovery-Act announcements and events for the Department. One of this working group's primary functions is to coordinate press releases within the Department and across the Administration related to the Department's Recovery Act activities. Local media outlets across the country have picked up those releases, expanding public awareness of the Department's recovery activity.

For higher profile Recovery Act announcements, Public Affairs has organized the following press conferences:

- March 3, 2009 at USDOT headquarters, President Obama, Vice President Biden and Secretary LaHood held a Recovery Act kick-off. National media covered the event and interviewed the Secretary afterward.
- March 5, 2009 in Miami, FL, Secretary LaHood and Vice President Biden announced Recovery Funding for transit projects. Local and national media covered the event.
- March 27, 2009 in Phoenix, AZ, the Secretary announced Recovery funding for Arizona airports. Local and national media covered the event.
- April 13, 2009 at USDOT Headquarters, President Obama, Vice President Biden and Secretary LaHood announced the letting of the 2000th Recovery Act highway project. National media covered the event and interviewed the Secretary afterward.
- April 16, 2009 at the White House, the Secretary joined President Obama and Vice President Biden to announce completion of the Recovery Act High Speed Rail Strategic Plan. National media covered the event and interviewed the Secretary afterward.

Public Affairs also coordinated a Northeast Recovery Road Tour for the Secretary from April 15, 2009, through April 17, 2009. Press conferences were held in Philadelphia, New Hampshire and Vermont. Local media covered these events.

Public Affairs also coordinates Secretary LaHood's other Recovery Act media interviews. He met with state transportation leaders from around the country on February 11, 2009 and did follow-up calls with media from around the country. The Secretary has also done interviews with *the Chicago Tribune*, *Associated Press*, *The Washington Post*, *the Detroit News*, *the Arizona Republic*, *PBS*, *Bloomberg*, *WGN Radio*, *George Will*, *Business Week*, *The Ed Schultz Show on MSNBC*, *NPR*, *ABC* and many other print, radio and TV outlets.

Information Technology (IT)

This working group is led by the Office of the Chief Information Officer, and works closely with the Communications group to ensure that all of the Recovery Act information required to be made available online is posted on time and meets all of OMB's specifications. It is also developing technical requirements for the

selection of a performance management tool to track the progress and effectiveness of the various Recovery Act programs.

In response to the volume of e-mail and telephone inquiries on the Department's Recovery Act activities, this working group has brought the National Transportation Library's (NTL) Reference Service into the Recovery Act effort. NTL has developed a Frequently Asked Questions (FAQs) website solution to address the most common concerns, and phone and email inquiries are routed to the NTL's Reference Service for response. This Reference Service is offered between 8:00 a.m. and 5:00 p.m., Monday through Friday. The Department responds to all inquiries within 24 hours. Performance metrics for the NTL's Reference Service are also being captured, reported, and used to identify additional candidates for FAQs.

Geographic Information Systems (Mapping)

The purpose of this working group is to coordinate efforts to use Geographic Information Systems (GIS) to map Recovery Act project data on a publicly accessible website. The goal is to present project specific information at a variety of geographic levels, along with some summary descriptive information, and the status of each project.

The greatest challenge is to determine a consistent and practical method to represent the wide range of Recovery Act projects in a GIS environment. Most projects can be identified with a point-based tool, such as bridges, airports, ports, and stations. Other projects are linear, such as sections of road, rail, or transit that are being improved or repaired. In addition, some projects include spending in different parts of large geographical areas, such as an urban area, a regional area, a state, or even parts of multiple states. These issues are being addressed in coordination with the affected operating administrations, as new projects are identified for funding.

The first phase of the working group's effort consists of a thematic summary mapping application. The application will show total dollars obligated and spent, as well as the number of Recovery Act projects, summarized for each State. Zooming in on the map, users will see similar information by county and congressional district. The second phase will develop a more detailed mapping application showing individual project locations, along with descriptive and expenditure information for those projects. This will be a sophisticated exercise, and the expected completion of this phase has not yet been determined.

IV. Management Oversight

Progress and Performance Measurement

Overall Progress Tracking and Performance Improvement

Progress on distributing Recovery Act funds is reported to Secretary LaHood weekly. Maps and other visualization tools are used to clearly communicate patterns of funding distribution by operating administration, program, State, and Congressional District. Regular feedback from the Secretary, on both the progress to date and a variety of management and oversight mechanisms, is then communicated to the TIGER Team, and quickly passed down through the appropriate management chains. The purpose is not only to identify potential problems but also to improve business processes and continually raise the standards to which the Department holds itself.

In addition, all Senior Executives involved in Recovery Act implementation have a new condition of performance built in to their individual performance plans. The performance standard states that each contributing Senior Executive will support the implementation of the Recovery Act in such a way that recipients and uses of all funds are transparent to the public and reported clearly, accurately, and in a timely manner to mitigate and minimize waste, fraud, error, and abuse. Specifically, Senior Executives must:

- identify qualified personnel to oversee the implementation of Recovery Act;
- award contracts and distribute funds promptly, fairly, and in a reasonable manner according to standard contract guidelines;
- avoid uncontrollable delays and cost overruns by following program milestones in funding projects; and
- establish and implement program goals that show continuous improvement.

Performance Tracking and Measurement

The DOT's twelve Program-Specific Recovery Plans, covering each of the Department's major Recovery Act programs, serve as guides for monitoring performance and anticipated achievements at the program level. Program milestones and a limited number of preexisting performance measures are in place to help the Department assess how well the program funds are performing in terms of transportation infrastructure objectives, as well as the employment goals of the Recovery Act.

The Department will rely on its funding recipients to report back on progress at the project level. This is a brand new reporting relationship between the Department and State and local governments, and more robust information systems are being put into place that will be able to process the enormous volumes of data that will be generated during this effort. The Department is also developing new reporting protocols to validate the quality of this data.

Once information starts flowing in on October 10, 2009, the Department will require a standard analysis and reporting format. Visualization tools, such as maps, graphs and charts, will be used to examine and report on performance by program, State, Congressional District, and as often as possible, at the project level itself. In order to do this, the Department is examining a variety of interactive and automated data visualization and reporting tools that will minimize both manual data-entry and the potential for error.

Public Performance Monitoring

While the Department's internal processes at the Department level, program level and recipient level are all designed to ensure good use of Recovery Act funds, the public plays an important role in monitoring progress and performance. A variety of raw data as well as graphical reports are available for public review. It is taxpayers that will ultimately hold the Department accountable and everyone is encouraged to be involved with our economic recovery effort.

As more and more Recovery Act project information becomes available, the public may provide feedback on the merits of the projects themselves or on the performance of the recipients of DOT Recovery Act funds. The President has asked the Department to put a spotlight on any project it considers an imprudent use of recovery funds. However, the public also can be a very powerful force at the State and local levels in ensuring projects with both near- and long-term economic impact are selected over projects with less promise. The Department will provide a robust data source to support the public's vital role in performance monitoring.

Risk and Corrective Actions

In response to Section 3 of OMB's April 3, 2009 Recovery Act implementation guidance, the Office of the Assistant Secretary for Budget and Programs / CFO established a four-step Recovery Act Risk Management Plan designed to identify and mitigate any risks that could threaten the Department's ability to achieve the programmatic goals and meet the transparency and reporting requirements of the Recovery Act.

In an effort to facilitate individual program offices' implementation of the Risk Management Plan, DOT conducted a comprehensive Risk Management Overview and Training Session April 1, 2009 for all operating administrations receiving Recovery Act funds. The Overview and Training Session provided attendees with detailed procedural explanations for each of the four Risk Management Plan steps discussed below.

Step 1: Risk Assessment Questionnaire

Completion Deadline: April 6, 2009

Developed in conjunction with fellow Federal Agencies, DOT's Recovery Act Risk Assessment Questionnaire encompasses seven functional capabilities critical to the efficient operation of operating administrations receiving Recovery Act funds:

- Human Capital
- Procurement
- Information Technology
- Reporting
- Grants
- Budget / Financial
- Audits and Investigations

The questionnaire provides program managers with the opportunity to identify and coordinate the resolution of program capability gaps that pose a risk to the successful achievement of broad Recovery Act goals. This gap analysis also allows individuals tasked with Recovery Act risk management oversight to identify common capability gaps across multiple programs that may benefit from best practices developed by other programs or operating administrations.

DOT requested Risk Assessment Questionnaires for each program receiving Recovery Act funds and conducted individual working sessions with operating administrations whenever requested, to ensure that the responses would be comprehensive.

Step 2: Risk Profile
Completion Deadline: April 27, 2009

DOT's Recovery Act Risk Profile examines five internal control focus areas for each Recovery Act program:

- General Control Environment
- Control Activities
- Information and Communication
- Monitoring
- Risk Assessments

The Risk Profile evaluates many aspects of each of the five focus areas and includes comprehensive narratives that describe either controls currently in place, or the lack thereof. The profile also assigns "High," "Medium," or "Low" risk ratings to each aspect of every focus area based upon pre-defined risk rating descriptions. DOT will use these profiles to determine the scope and magnitude of additional programmatic reviews necessary to comply with Recovery Act internal control requirements.

DOT has requested completed Risk Profiles for all Recovery Act programs and will conduct working sessions with operating administrations on an individual basis whenever requested, to meet the April 27, 2009 deadline.

Step 3: Risk Mitigation Strategy Template
Completion Deadline: May 9, 2009

DOT's Recovery Act Risk Mitigation Template requires program managers to describe and document risk mitigating procedures and/or strategies for the following risks:

- All program capability gaps identified in the Recovery Act Risk Assessment Questionnaire (Step 1)
- All aspects from each of the five focus areas assigned a risk rating of "Medium" or "High" in the Recovery Act Risk Profile (Step 2)

For each described risk and its associated mitigating strategy, program managers will complete the following:

- Define "trigger" events which will initiate contingency plans
- Provide the status of current mitigation efforts
- Delegate an official tasked with oversight of current mitigation efforts

DOT requested completed Risk Mitigation Strategy Templates for all Recovery Act programs level by the May 9, 2009 deadline.

Step 4: Risk Strategy Validation & Testing
Completion Deadline: June 5, 2009

To ensure the proper mitigation of all identified risks, DOT will test and validate all submitted mitigation efforts and cited internal controls.

Testing and validation will consist of qualitative methods similar to prior OMB Circular A-123, Appendix A testing methodologies and will include (but may not be limited to) staff interviews, business process walkthroughs, and document reviews. DOT will schedule testing and validation upon receipt of amended and clarified Risk Mitigation Strategy Templates, to complete testing and validation by June 5, 2009.

Appendix A: Recovery Act Obligation and Outlay Plan

For each program named in the Recovery Act and assigned a unique Treasury Appropriation Fund Symbol, the agency has estimated the obligations and outlays of budgetary resources that will be made in each quarter through 2015. These estimates are consistent with the deadlines and targets set out in the Recovery Act legislation, as well as with the Program-Specific Recovery Act Plans called for in Section 2.8 of the guidance.

**DEPARTMENT OF TRANSPORTATION
PROJECTION OF ARRA OBLIGATIONS AND OUTLAYS
IN MILLIONS OF DOLLARS**

ACCOUNT NAME	ACCOUNT NUMBER	FY 2009			FY 2010				FY 2011				FY 2012			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Grants for National Surface Transportation System (OST)																
Obligations		0	0	0	1,500	0	0	0	0	0	0	0	0	0	0	0
Outlays	69-0106	0	0	0	33	49	49	49	135	135	135	135	105	105	105	105
Grants-in-aid for Airports (FAA)																
Obligations		0	550	550	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	69-1306	0	3	107	108	138	156	258	55	55	55	55	28	28	28	28
Facilities and Equipment (FAA)																
Obligations		0	88	52	3	15	0	42	0	0	0	0	0	0	0	0
Outlays	69-1304	0	15	65	23	24	21	11	10	10	10	10	0	0	0	0
Highway Infrastructure Investment (FHWA)																
Obligations		3,997	10,105	6,505	1,400	959	1,683	2,831	1	3	3	3	1	3	3	3
Outlays	69-0504	2	2,588	2,910	3,020	2,216	2,952	3,637	1,238	1,238	1,238	1,238	825	825	825	825
Capital Grants to Amtrak (FRA)																
Obligations		1,294	0	6	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	69-0724	0	130	130	195	195	195	195	65	65	65	65	0	0	0	0
High Speed Rail Corridors (FRA)																
Obligations		0	0	400	4,000	1,200	0	0	402	400	401	400	200	199	200	198
Outlays	69-0718	0	0	160	339	258	299	304	400	400	400	400	500	500	500	500
Capital Investment Grants (FTA)																
Obligations		0	241	316	45	53	48	45	0	2	0	0	0	0	0	0
Outlays	69-1134	0	32	58	51	51	51	50	38	38	38	38	28	28	28	28
Transit Capital Assistance (FTA)																
Obligations		0	2,187	2,891	455	449	447	447	10	0	0	2	12	0	0	0
Outlays	69-1101	0	542	976	516	516	516	522	380	380	380	380	259	259	259	259
Fixed Guideway Infrastructure (FTA)																
Obligations		0	279	281	48	48	48	44	0	1	1	0	0	0	0	0
Outlays	69-1102	0	60	105	57	57	57	54	41	41	41	41	28	28	28	28
Salaries and Expenses, Recovery Act (OIG)																
Obligations		0	1	0	2	1	1	1	2	2	2	2	2	2	2	2
Outlays	69-0131	0	1	0	2	1	1	1	2	2	2	2	2	2	2	2
Assistance to Small Shipyards (MARAD)																
Obligations		0	0	98	0	0	0	0	0	0	0	0	0	0	0	0
Outlays	69-1770	0	0	10	15	15	15	15	7	7	7	7	0	0	0	0
Operations and Training (MARAD)																
Obligations		0	0.2	0.3	0.4	0.4	0.4	0.3	0	0	0	0	0	0	0	0
Outlays	69-1749	0	0	0.5	0.3	0.3	0.4	0.4	0.03	0.03	0.03	0.03	0	0	0	0
TOTAL, DEPARTMENT OF TRANSPORTATION:																
OBLIGATIONS		5,291	13,451	11,099	7,453	2,725	2,227	3,410	415	408	407	407	215	204	205	203
OUTLAYS		2	3,371	4,521	4,359	3,520	4,312	5,096	2,370	2,370	2,370	2,370	1,774	1,774	1,774	1,774

**DEPARTMENT OF TRANSPORTATION
PROJECTION OF ARRA OBLIGATIONS AND OUTLAYS
IN MILLIONS OF DOLLARS**

ACCOUNT NAME	ACCOUNT NUMBER	FY 2013				FY 2014				FY 2015				TOTAL	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Grants for National Surface Transportation System (OST)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	0	1,500
Outlays	69-0106	56	56	56	56	26	26	26	26	8	8	8	8	1,500	
Grants-in-aid for Airports (FAA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	1,100	
Outlays	69-1306	0	0	0	0	0	0	0	0	0	0	0	0	1,100	
Facilities and Equipment (FAA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	200	
Outlays	69-1304	0	0	0	0	0	0	0	0	0	0	0	0	200	
Highway Infrastructure Investment (FHWA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	27,500	
Outlays	69-0504	481	481	481	481	0	0	0	0	0	0	0	0	27,500	
Capital Grants to Amtrak (FRA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	1,300	
Outlays	69-0724	0	0	0	0	0	0	0	0	0	0	0	0	1,300	
High Speed Rail Corridors (FRA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	8,000	
Outlays	69-0718	500	500	500	500	160	160	160	160	100	100	100	100	8,000	
Capital Investment Grants (FTA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	750	
Outlays	69-1134	23	23	23	23	17	17	17	17	9	9	9	9	750	
Transit Capital Assistance (FTA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	6,900	
Outlays	69-1101	138	138	138	138	52	52	52	52	0	0	0	0	6,900	
Fixed Guideway Infrastructure (FTA)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	750	
Outlays	69-1102	15	15	15	15	6	6	6	6	0	0	0	0	750	
Salaries and Expenses, Recovery Act (OIG)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	20	
Outlays	69-0131	0	0	0	0	0	0	0	0	0	0	0	0	20	
Assistance to Small Shipyards (MARAD)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	98	
Outlays	69-1770	0	0	0	0	0	0	0	0	0	0	0	0	98	
Operations and Training (MARAD)															
Obligations		0	0	0	0	0	0	0	0	0	0	0	0	2	
Outlays	69-1749	0	0	0	0	0	0	0	0	0	0	0	0	2	
TOTAL, DEPARTMENT OF TRANSPORTATION:															
OBLIGATIONS		0	0	0	0	0	0	0	0	0	0	0	0	0	48,120
OUTLAYS		1,213	1,213	1,213	1,213	261	261	261	261	117	117	117	117	48,120	

Appendix B: Contracts

Competition for Contracts

The amount of Recovery Act funding to be used for grants dwarfs the amount of Recovery Act funding to be used for contracts. In fiscal year 2008, the Department of Transportation (DOT) achieved 82% competition in its contracting. So far in fiscal year 2009, DOT has again achieved 80% competition. The Department has made a significant effort in recent years to increase competition for its contracts, appointing a Competition Advocate in each of its operating administrations. In 2005, DOT ranked number 16 among 18 agencies and departments in its contracting competition percentage. DOT competed 61% of its contracts in 2006 and rose to 14th place. In 2007, DOT tied with three other departments and agencies for sixth place by competing 76% of its contracts.

For Recovery Act funds, DOT has several different competition strategies. The Federal Aviation Administration is using existing contract vehicles for approximately \$112 million of the Recovery Act funds in order to expedite the obligation of funds. When awarded, these contracts were competitively selected. They will be primarily for elevator replacements, chiller modernizations, parking lot repairs, power system upgrades and navigation and landing equipment. The remaining \$88 million, which will be used to replace airport towers and navigation and landing systems, will be new competitive contracts. The Federal Railroad Administration anticipates two contract awards using Recovery Act funds. Both of these contract awards will be competed, so 100 percent of FRA Recovery Act funds will be competed. The Federal Highway Administration (FHWA) has a significant small business outreach program. Accordingly, where possible, FHWA will compete its Recovery Act contracts among small businesses as much as possible, which may include sole-source awards to Small Business Act Section 8(a) contracts per Federal Acquisitions Regulation Subpart 19.8. Overall, in fiscal year 2009, DOT anticipates its competition rate to meet or exceed the 82% rate achieved in fiscal year 2008, including Recovery Act activity.

Fixed-Price Contracting

DOT has a preference for fixed-price contracts and emphasizes the importance of acquisition planning and requirements development, which facilitate the use of these contracts. As Contracting Officers, Contracting Officers Technical Representatives (COTRs), and Program Managers are trained and certified under the Federal Acquisition Certification program, they will be better positioned with the skills needed to effect fixed-price contracts. DOT has a robust certification program for these three types of acquisition professionals. DOT also emphasizes that there are many different contract types available and the

contracting professionals must understand the best and most effective use for these various contract types. For fiscal year 2009, The Federal Aviation Administration (FAA) plans to use firm fixed-price contracts for \$150 million of its Recovery Act contracts. For the remaining \$50 million, FAA will award task orders through existing time and materials contracts that contain “not to exceed” amounts and savings incentives clauses that enhance vendor performance. These task orders will have a guaranteed maximum price. The Federal Railroad Administration (FRA) anticipates two contract awards using Recovery Act funds. Both of these contract awards will be fixed-price, so 100% of FRA Recovery Act funds will be fixed-price. In fiscal year 2008, the Federal Highway Administration (FHWA) awarded 77% of its contracts as fixed-price contracts. For fiscal year 2009, the FHWA plans to reinforce the regulatory preference for fixed-price contracts through added acquisition and program office staff training, with an emphasis on maximizing fixed-price Recovery Act awards where it is practical to do so. Overall, the FHWA plans to maintain its achievement of 77% of contracts being awarded as fixed-price in fiscal year 2009, which includes Recovery Act contracts. This will likely represent an increase in \$29 million in fixed-price contracts for fiscal year 2009 over fiscal year 2008 for the FHWA.