



United States
Department of Transportation

American Recovery and Reinvestment Act

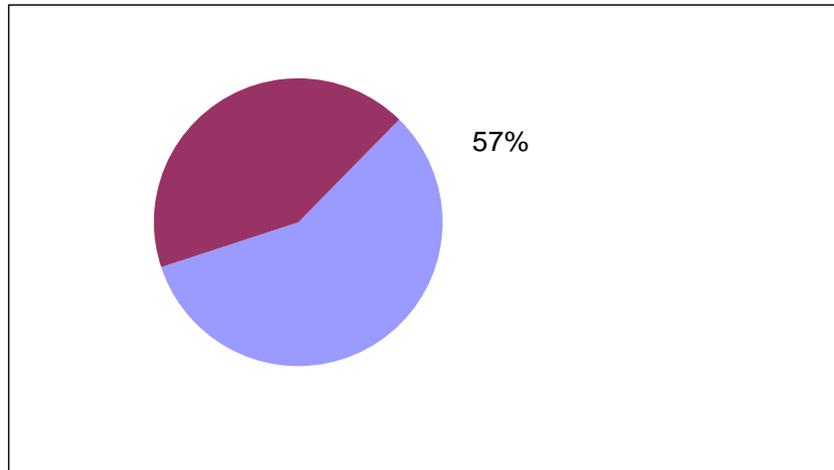
Federal Highway Administration
Highway Infrastructure Investment
Program Performance Plan



Funding

Funding: \$27,500,000,000

Percentage of DOT total Recovery Act funding:



Type: Formula and Discretionary funding

Period of Availability: Two years (through 2010)

Time line for announcing:

Date	Announcement
FY 2009	Formula funding was released within 21 days of enactment.
FY 2009	On the Job Training/Support Services and Ferry Boat Grant Solicitations have been published.
FY 2009	Funds were also released to Fed Lands in March 2009 for allocation to respective projects and federal agencies.
FY 2009	Grants should be awarded by the end of May 2009.

Amount allotted for administrative cost: \$40,000,000

Amount allotted for distribution: \$27,460,000,000

Program Description

Program objectives:

The Federal Highway Administration (FHWA) is uniquely positioned to administer the Highway Infrastructure Investment portion of the American Recovery and Reinvestment Act of 2009 (Recovery Act); in particular, the goal to “invest in transportation, environmental protection, and other infrastructure that will provide longer term economic benefits” to the Nation. As public stewards of the Federal Highway Program, the FHWA currently provides technical assistance and funding to States and Metropolitan Planning Organizations for the development, operation, and maintenance of the national system of highways and roads. In addition, the FHWA provides funds and oversight to improve the transportation system serving Federal and tribal lands. The Recovery Act funds will augment current investments, authorized by SAFETEA-LU, from the Highway Trust Fund and enable states, regional and local governments to accelerate to completion a number of highway infrastructure projects planned or now underway.

Public benefits:

The Recovery Act will fund Highway Infrastructure projects with longer-term societal and economic benefits. The Federal (Federal-Aid and Federal Land) Highway Program addresses a number of societal concerns such as increased demand for system capacity to meet the expanding movement of goods and people, maintaining an aging infrastructure, the continuing need to improve highway safety and security, and the costly burden of traffic congestion. Most of the Recovery Act project funds are being used to maintain and improve pavement condition, which should reduce wear and tear on vehicles and lower operating costs for drivers. The Federal Highway program also ensures a connected system of roads that serve interstate, regional, and national needs. No other Federal program addresses this purpose. In addition, the Federal Lands Highway program provides for the management and oversight of roads on public lands and Indian reservations.

Project level activities:

ARRA funds will be administered under the existing Federal Aid Highway Program goals and regulations. Funds may be used for restoration, repair, construction and other activities eligible under the Surface Transportation Program (STP) as defined within 23 U.S.C. 133(b), and for passenger and freight rail transportation and port infrastructure projects eligible for assistance under subsection 23 U.S.C. 601(a)(8). Priority will be given to projects with a completion time prior to February, 2012 and to projects located in Economically Distressed Areas as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161). Funds will also be

used by recipients in a manner that maximizes job creation and economic benefit.

As of May 12, 2009 the following dollar amounts (and their percentages relative to the total amount of funds obligated) were the following:

Project Type	Obligations	% Total
Transportation Enhancements	\$84,127,587	0.8%
Safety/Traffic Management	\$602,271,989	5.8%
Pavement Widening	\$1,652,992,653	15.9%
Pavement Improvement	\$5,976,934,447	57.5%
Other	\$215,134,369	2.1%
New Construction	\$585,020,281	5.6%
New Bridge Construction	\$252,729,615	2.4%
Bridge Replacement	\$594,946,031	5.7%
Bridge Improvement	\$422,296,809	4.1%
TOTAL	\$10,386,453,780	100.0%

Based on prior experiences, we expect the relative percentages to remain consistent as the remaining 60% of available funds are obligated and expensed.

Additionally major projects funded in whole or part with Recovery Act funds include adding additional High Occupancy Vehicle (HOV) lanes in California (\$189 million), new bridge construction in Florida and Connecticut (\$127 million and \$72 million, respectively) and major road rehabilitation projects in New Jersey (Route 295, \$81 million), Kansas (U.S. 69 Corridor in Overland Park, \$62 million) and New York (Route 112 in Brookhaven, \$49 million).

Funding determination:

Half of the funds are apportioned to States based on a weighted formula using the total lane miles of Federal-aid highways, total vehicle miles traveled on Federal-aid highways, and the estimated tax payments attributable to highway users that are paid into the Highway account of the Highway Trust Fund. The remaining half of the funds are obligated based on each State's share of FY 2008 Obligation Limitation funding. The legislation requires a redistribution of funds from States that have not obligated more than 50 percent of funds awarded to that State within 120 days of apportionment (June 29, 2009) with the remainder of the funds subject to redistribution as of February 17, 2010.

www.fhwa.dot.gov/economicrecovery/arardistribution.htm

Federal Lands Program, Territorial Highway, Ferry Boats, Disadvantaged Business Enterprises and Oversight/Administration expense amounts were determined by Recovery Act legislation. For Federal Lands Highway, the

individual program amounts were also defined in the legislation. These programs are not subject to redistribution.

Project selection criteria:

Projects are selected by each State under normal Federal-aid Highway Program procedures (CFDA 20.205) and Recovery Act-specific guidance, which is located at <http://www.fhwa.dot.gov/economicrecovery/guidancelist.htm>.

Funds may be used for restoration, repair, construction and other activities eligible under the Surface Transportation Program (STP) as defined within 23 U.S.C. 133(b), and for passenger and freight rail transportation and port infrastructure projects eligible for assistance under subsection 23 U.S.C. 601(a)(8). Priority will be given to projects that can be completed by February 17, 2010 and those projects located in economically-distressed areas. Recovery Act funds are not eligible to be used for advanced construction purposes, or for expenses incurred prior to their obligation on a project.

Funding decisions made by:

State, Region/MPO/District and Local Government.

Contracting vehicle(s):

FHWA has awarded a series of Blanket Purchase Agreements (BPA) to support the Division offices with Recovery Act oversight. Orders under a BPA are expected to be firm fixed priced. These BPAs will also support HQ activities. Federal Lands Highway will award firm fixed price contract for Recovery Act projects.

Primary recipients: States

Beneficiaries: General Public

Significant program challenges and mitigation strategies:

At present the only regulatory barrier faced by the program is obtaining Paperwork Reduction Act approval for forms used by states & contractors to report information on Recovery Act-funded projects (excluding Section 1201 reporting). If FHWA fails to receive approval beyond the 6 month waiver already granted, the Agency's ability to meet reporting requirements, especially in terms of the number of jobs created, could be threatened.

Challenge 1: Local Public Agency (LPA) Oversight - Challenge - This risk includes lack of experience of some LPAs in handling Federal aid projects and the lack of oversight by some State DOTs in ensuring proper management of Federal-aid projects. There will be time pressure on local projects that may be less ready-to-go than State DOT projects. The temptation will be to circumvent procurement and bidding procedures, and/or to use other non-compliant procedures that are more familiar. Other concerns are that LPAs may have inadequate quality assurance and inspection procedures and may violate other

requirements such as Davis Bacon and Buy America, and may use funds for ineligible purposes."

Challenge 2: Plans, Specifications, and Estimates (PS&E) Quality - With aggressive project obligation schedules there is the potential for increased errors and omissions leading to change orders, cost overruns, delays, permit violations, and substandard products.

Challenge 3: This risk area includes the areas of procurement, bidding, and the management of contract terms and changes. In the rush to get projects out the door, appropriate procurement processes may be circumvented. The large influx of dollars may limit competition and industry may have inadequate capacity to handle the work leading to price escalation and delays. There may be an increased potential for price fixing and bid rigging. This risk area also includes managing the risks of inadequate local and State oversight and management of contract changes that could lead to cost increases and time delays. This area is of particular concern because of the high dollar values involved.

Challenge 4: Quality Assurance - The quality of construction and materials continues to be a high-risk area. Where there are weak procedures in place, potentially untrained or inadequate inspection personnel, and a time and material squeeze on contractors, there may be substandard material acceptance and construction. Increased funding levels may stress the quality assurance programs of States who generally handle this well. In addition to waste, fraud, or abuse impacts, this area threatens the service life of facilities, environmental compliance, and the safety of the traveling public.

Challenge 5: Disadvantaged Business Enterprise (DBE) Program -With a substantially increased program, there could be difficulties in meeting DBE goals. Where there is inadequate industry capacity, there may be attempts by contractors to avoid or the States to relax scrutiny of good faith efforts, and temptation to use front companies. The Commercially Useful Function requirement is an area of known risk for fraud and abuse.

Challenge 6: Eligibility/Improper Payments - Where there are weak internal controls for the segregation, expenditure, and billing of Federal funds, ineligible costs may be billed and paid, resulting in non-compliance with requirements of the legislation.

Challenge 7: Achievement of Program Goals - Public expectations are high regarding the Recovery Act. FHWA has an opportunity to either build or lose credibility depending on how well the Recovery Act projects are managed.

Challenge 8: Indian Reservation Roads (IRR) Program -Indian Reservation Roads (IRR) Program - The IRR Program has previously been identified as high risk by FLH, and is high risk for Recovery Act. Reasons driving the high risk include: the program uses a tribal share regulatory formula resulting in Recovery Act funds being made available proportionally to all 562 federally recognized tribes; complex political and sovereignty issues, including Tribal rights of first refusal for contract performance; varied tribal levels of transportation expertise, and the nationwide effort required by the Federal Government to carry out the program stewardship and oversight on the Tribes.

In FY 2009, FHWA identified eight strategies to respond to Recovery Act challenges. The cross-cutting risk mitigation strategies by building capacity, providing guidance and information, and ensuring oversight:

1. Resource Enhancement
2. Communication and Education
3. Sharing Risk with Partners, particularly State DOTs
4. Enhanced Division Office Oversight
5. National Oversight
6. Measure, Monitor, and Periodically Review
7. Information and Tool Development
8. Reassessment and Feedback
9. Federal Lands Highway Risk Management Strategies

In FY 2010, FHWA will continue to pursue the following mitigation strategies:

- Implement the Recovery Act risk management plan, including an enhanced visible monitoring approach to program oversight.
- Execute an aggressive monitoring program of Recovery Act projects and share best practices or lessons learned.
- Aggressively implement Recovery Act reporting requirements.
- Continue Recovery Act communication and education with State and local decision makers and practitioners, adjusted for the FY 2009 experiences.

Program Activities

Milestones:

	Milestone	Date	Anticipated Accomplishment
1	Apportionment of Funds	March 2009	Made available \$26,810,000,000 in Recovery Act program funds to State and Territorial DOTs, and made available \$550,000,000 to Federal Lands and Indian Reservations.
2	Develop an Agency-wide Risk Management Plan based on Risk Management Plans submitted by all FHWA Offices.	April 2009	FHWA Risk Management Plan released to public at FHWA Recovery Act Web site. The risk management plan was developed with input from all FHWA program and division offices. The risk management plan is available on FHWA's recovery website.

3	On the Job Training and Ferry Boat Grants Awarded	July 2009	Award \$20 million in On the Job Training/Support Services Grants and \$60 million in Ferry Boat Grants
4	120 day Redistribution	June 2009	June 29, 2009- Deadline for States to meet requirements of 120-day redistribution as required by Recovery Act legislation For more information, see: http://www.fhwa.dot.gov/economicrecovery/redistribution.htm .
5	Recovery Act Rescission	February 2010	Deadline for obligating all Recovery Act funds; those not obligated by February 17, 2010 subject to redistribution per legislation. States will obligate RECOVERY ACT funds on an on-going basis. State DOT's will be provided information on a regular basis by FHWA division offices per their obligation status.
6	Obligations of Recovery Act funds must be made	September 2010	FHWA's existing fiscal management systems give state DOT's and FHWA division offices the ability to identify the amount and type of funds that must be obligated to meet this requirement. FHWA division offices and HQ will conduct oversight activities, including ensuring that 1511 and other reports are submitted in a timely manner in order to facilitate quick obligations.
7	Implement National Review Teams	July 2009	National Review Teams will be created to carry out reviews in all States. The teams will augment the Agency's oversight role from a national perspective; any process or project-level concerns will be referred to the appropriate Division office. The national review teams' staff was selected through an open hire process. FHWA received over 100 applications for these positions. The National Review Teams will analyze data gathered by FHWA as part of the reporting requirements under Recovery Act, and identify problem areas. They will also conduct site visits as part of normal oversight activities.

Anticipated Results

Measure 1: Pavement Condition, Good Ride Quality

Explanation of measure: Percent of travel, i.e. vehicle miles traveled, on the National Highway System meeting pavement performance standards for good rated ride.

	2009	2010	2011	2012
Target set prior to ARRA	57%	58%	59%	60%
New target set with ARRA	TBD	TBD	TBD	TBD
Measured by Fiscal Year	Higher is better			

Measure 2: Miles improved, fully and partially funded.

Explanation of measure: Miles improved with projects fully or partially funded by Recovery Act will be obtained from Form FHWA-1586 (using begin and end mile point fields) and Form FHWA-1585 (using the percent complete field).

	2009	2010	2011	2012
Target set prior to ARRA	1280	4032	5184	5952
New target set with ARRA	1280	4032	5184	5952
Measured by Fiscal Year	Higher is better			

Measure 3: Number of Projects under Construction, fully and partially funded

Explanation of measure: Number of projects underway and funded fully or partially with Recovery Act funds will be obtained from the Financial Management Information System (FMIS).

	2009	2010	2011	2012
Target set prior to ARRA	0	0	0	0
New target set with ARRA	TBD	TBD	TBD	TBD
Measured by Fiscal Year	Higher is better			

Measure 4: Percent of Recovery Act Funds Obligated

Explanation of measure: Percent of Recovery Act funds fully obligated by the States and other FHWA grant recipients as reported in the Financial Management Information System (FMIS).

	2009	2010	2011	2012
Target set prior to ARRA	75	100	100	100
New target set with ARRA	75	100	100	100
Measured by Fiscal Year	Higher is better			

Measure 5: Percent of Recovery Act Funds Expended

Explanation of measure: Percent of funds expended by the States and other FHWA grant recipients as reported in the Financial Management Information System (FMIS).

	2009	2010	2011	2012
Target set prior to ARRA	20	63	81	93
New target set with ARRA	20	63	81	93
Measured by Fiscal Year	Higher is better			

Risk Management & Evaluation

The Department of Transportation created a common risk management protocol for each of its Recovery Act programs to follow. It includes (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3) developing a risk mitigation strategy to address identified risks, and (4) participating in a validation and testing process to ensure that risks are being addressed. This Recovery Act program is participating fully in the established risk-management process and may even enhance that process with additional program-specific risk management actions.

General Risk	FHWA Headquarters and Division offices continue to follow existing procedures to pay, track, monitor and report on grants awarded under the Recovery Act. Also, new risk management and reporting plans/procedures have been developed to respond to Recovery Act requirements. FHWA developed and made available to States (via an Economic Recovery website: http://www.fhwa.dot.gov/economicrecovery/index.htm) Recovery Act Implementing Guidance, dated April 1, 2009; Recovery Act reporting requirement forms; questions and answers that address new requirements and conditions; along with additional Recovery Act emerging information and instructions. FHWA is developing a risk management plan specific to Recovery Act. This plan will describe the process for identifying, mitigating, assessing and reporting on risks and corrective actions associated with the implementation of Recovery Act; this should be available for release outside the agency shortly.
Reporting Risk	FHWA has developed and issued reporting requirements and forms, which have already received OMB's emergency review and approval. The forms and guidance document were distributed to the Division offices and states on March 19, 2009, and were made available on FHWA's Recovery Act website on March 26. FHWA has also added additional staff to deal with Recovery Act requirements; 47 (27 full-time, 20 part-time) positions eligible for dual compensation and 20 positions approved for direct hire authority. FHWA's

	<p>financial (FMIS, RASP and DELPHI) and operational (PRISM (procurement) and CASTLE (time and attendance) systems have the capacity and controls necessary to support the increase in activity associated with implementing Recovery Act. FHWA has held and will continue to hold a series of webinars with state DOTs to address new issues related to Recovery Act implementation and oversight.</p>
Human Resources Risk	<p>FHWA has developed a comprehensive staffing plan to support the Recovery Act, using a variety of staffing options. We have received OPM approval for 47 (27 full-time, 20 part-time) positions eligible for dual compensation and 20 positions approved for direct hire authority. In addition, a variety of position types are being used to meet this immediate, but temporary need, including term appointments (position for more than 2 year but less than 5 years), temporary appointments (positions for less than 1 year), temporary promotions (up to 5 years) and permanent positions. FHWA has also made use in moderation of contracting services and other contracting options. Additionally, Senior leadership across FHWA has developed a comprehensive resource planning master schedule for employing, administering and overseeing the Recovery Act activities. Furthermore, existing FHWA delegations of authority empower personnel to make decisions and administer the Recovery Act programs.</p>
Grants Risk	<p>FHWA has established activities and processes to ensure funds are awarded promptly, fairly and reasonably. This process encompasses a stewardship agreement (an agreement between the State DOT and FHWA detailing how the Fed-Aid Program will be implemented and oversight activities performed in the respective state), risk management framework, Fiscal Management Information System (FMIS) and Delphi accounting systems as well as review and oversight programs (i.e., the Financial Integrity Review and Evaluation (FIRE) program and the National Review Program). FHWA will work with the OIG and OST to take timely action to review all suspension/debarment referrals and undertake appropriate action as they arise. (FHWA Order 2000.2A).</p>
Procurement Risk	<p>Internal guidance and procedures prescribing necessary contract provisions and clauses based upon GAO directives have been developed and distributed to contract specialists for inclusion in RFPs as required to cover HQ and Fed. Lands Recovery Act activities. Additionally, All contracts are formulated and follow the Federal Acquisition Regulation (48 CFR). In addition,</p>

	<p>new Recovery Act clauses and language prescribed by OMB have also been provided to the contract specialists for inclusion in contract awards, as required.</p> <p>Additionally, specific language has also been included in Recovery Act related project agreements. All projects selected for acquisition funding undergo a rigorous review by several levels of program, management, and acquisition officials to validate the need. Following award, both program managers and contract administrators monitor contractor progress and spending through the review and approval of periodic invoices. In addition close-out audits are conducted when work is completed.</p>
Budget/Financial Risk	<p>FHWA is executing Recovery Act under existing Federal-aid Highway Program regulatory framework. Title 23 USC 106 requires FHWA to establish an oversight program which includes FHWA and state responsibilities. FHWA has established activities and processes to ensure funds are awarded promptly, fairly and reasonably. This process encompasses a stewardship agreement; risk management framework; Fiscal Management Information System (FMIS); Delphi accounting system; and review and oversight programs (such as the Financial Integrity Review and Evaluation (FIRE) program and the National Performance Review Program). Senior leadership across FHWA has developed a comprehensive resource planning master schedule for employing, administering and overseeing the Recovery Act activities. Finally, separate TAFS have been created for all Recovery Act funds.</p>
Systems Risk	<p>Recovery funds are managed through existing FHWA systems--FMIS, RASP and DELPHI. These systems have the capacity necessary to management and control Recovery Act funds, as required by Title 23 USC. Built-in system edits mitigate errors and help ensure data quality and integrity. Also, system user training is periodically provided to minimize input errors. The required data elements for reporting and oversight reside in the financial and operating systems and this information is readily accessible to fulfill analysis and reporting requirements. In addition, FHWA has issued Recovery Act reporting requirements and forms for collecting data on all projects utilizing Recovery Act funds.</p>
Audit/Investigations Risk	<p>FHWA regularly responds to A-123 Appendix A findings (identified via Exception Notices) and the FMFIA program. These findings are tracked via corrective action plans, as applicable. There were no A-123 process-level or transaction-level findings reported during the latest A-123 Grants Management reviews (FY</p>

	2008 transaction-level and FY 2009 process-level reviews). One material weakness was reported in FHWA's FY 2007 FMFIA assurance statement. Corrective actions related to the FMFIA material weakness are being addressed and tracked through completion. FHWA uses corrective action plans to actively monitor and track through completion findings identified in external and internal audits and reviews. Known internal control weaknesses are identified and corrected in accordance with timelines established in corrective action plans.
Performance Risk	There is a risk FHWA will fail to meet public expectations in regards to the Recovery Act. Expanded staffing and increased oversight as outlined in the response to question 16 will help to mitigate this risk. Additionally, increased cooperation and oversight at the FHWA division level, including the development of a Recovery Act checklist for use by State DOTs will decrease this risk.

Planned program assessment / evaluation:

Estimated Start Date	Estimated Completion Date
July 2009	October 2010

Results of recent program assessment / evaluation:

Estimated Start Date	Estimated Completion Date
Not Applicable	March 2009

In March 2009, the OIG circulated the draft report "American Recovery And Reinvestment Act Of 2009: Oversight Challenges Facing The Department Of Transportation" describing the major challenges and related focus areas for DOT. These challenges and focus areas were tailored based on OIG reports and known weaknesses with the DOT. The challenges included (1) ensuring that Recovery Act funds were spent properly, (2) implementing the new accountability requirements and programs, and (3) combating fraud, waste, and abuse. Our Recovery Act risk assessment considered this draft report with the other vulnerabilities that have been identified through the FHWA national review

program or OIG reports. The actions to address these issues are ongoing and at various stages of implementation.

Improvement(s) made:

These areas of risk were considered:

a. Local Public Agency (LPA) Oversight – FHWA has self-declared this area as an internal control material weakness as a result of an FHWA national review. We have begun implementation of corrective action plans by all Division Offices, targeted for completion by 9/30/2010. Status is 25% complete.

b. Quality Assurance in Materials and Construction – A 2007 FHWA review identified specific weaknesses in oversight of contractor quality control, agency acceptance, independent assurance, dispute resolution, laboratory accreditation and qualification, and personnel qualification/certification. A key recommendation was to develop a QA Manual of Practice as a single point of reference document providing guidance and information to Division Offices. This effort is targeted for completion in 2009.

c. Management of Construction Contract Changes – An FHWA national review found that while most State DOTs reviewed had well-documented procedures and FHWA Division Offices were actively involved in the contract change review and approval process, there are specific opportunities to make improvements in consistency, documentation, organization of FHWA guidance, and tracking. Key recommendation was to develop a QA Manual of Practice as a single point of reference document providing guidance and information to Division Offices. This effort is targeted for completion in 2009.

d. Consultant Procurement & Administration of Engineering and Design Services – Questionable procurement and administration practices in the State DOTs were identified by an FHWA national review. Some of the practices are the result of a good faith effort by States to interpret and implement Federal laws and regulations. However, there is widespread inconsistency, lack of efficiency, and non-compliance with Federal requirements. A key recommendation was to update 23 CFR 172 to reflect the changes in law that have occurred.

e. Value Engineering – Value engineering provides a substantial opportunity for the States to obtain the most value from Federal-aid funds by achieving savings on planned construction projects. The OIG estimated in a report that if the States conducted required National Highway System (NHS) value engineering studies and high-potential non-NHS value engineering studies, and accepted more recommendations, additional planned projects could have been started. A key recommendation was to revise the FHWA value engineering policy. We anticipate revisions to CFR 23 with publication of a draft final rulemaking late in FY 2009.

f. Indirect Costs for Design & Engineering Firms – Not providing sufficient oversight, and given the one-time infusion of significant amounts of Federal dollars into the Federal-aid Highway Program, there may be a significant amount of unallowable consultant overhead costs in FY 2009 and beyond. A key recommendation was to revise the FHWA value engineering policy. We

anticipate revisions to CFR 23 with publication of a draft final rulemaking late in FY 2009.

g. Inactive Obligations – The OIG has identified reduction of inactive obligations as a key component of funds management. Obligations that have an outstanding balance and no activity within the preceding 12 months are inactive. Divisions must review obligations to ensure that Federal funds are properly obligated and are being used effectively, and that unused funds are safeguarded or de-obligated to minimize misuse. A key recommendation was to revise the FHWA value engineering policy. We anticipate revisions to CFR 23 with publication of a draft final rulemaking late in FY 2009

Accountability & Transparency

Scheduling reviews:

Scheduled review dates or frequency:

1. March 27, 2009: Division Risk Assessments returned
2. Increased sight inspections by FHWA staff to ensure compliance with Recovery Act standards

Performance elements to be reviewed:

1. Plans emphasized community outreach, program of visible monitoring and financial oversight – Billing Reviews.
2. On-going

Communicating with recipients:

- a) Regular meetings between FHWA and key State and local partners to discuss the progress of activities and projects, potential barriers, and plans to address them.
- b) Ensure widespread distribution of the Local Public Agency (LPA) reference materials by Division Offices in each State to key local agencies, decision makers, and the Local Technical Assistance Programs.
- c) Enhancement and increased delivery of training to LPAs.
- d) Communication and education by Division Offices regarding the risk monitoring efforts that FHWA will undertake. A clear message will be delivered to State and local agencies regarding the importance of this effort and the responsibilities that are borne by governmental agencies at all levels.
- e) Formal review of the Recovery Act implementing guidance with State DOT staff in known areas of national and local vulnerability.
- f) Coordination and information sharing with entities responsible for conducting single audits in accordance with OMB Circular A-133.

FHWA has established a Recovery Act web page to assist all FHWA partners and stakeholders in implementing the Act as expeditiously as possible. Include and update key questions and answers to provide the latest information. In addition, FHWA will:

- a) Coordinate a kick-off meeting between the FHWA Executive Director, and State CEOs to communicate the need to carry out the Recovery Act “by the book”.
- b) Deliver National web-seminars for LPAs regarding Federal-Aid requirements.
- c) Deliver National web-seminars and other events for FHWA, State DOTs, and LPA regarding DBE requirements.
- d) Coordinate with the American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Finance and Administration to conduct national outreach to firms and organizations doing single audits of governments using Recovery Act Funds.
- e) Provide general outreach to transportation related associations/organizations such as NACE, APWA, ATRBA, etc

Communicating with public and stakeholders:

FHWA has established the recovery.gov website to update the public on the status of important milestones, such as grant solicitations, rescission procedures and oversight activities (see above).

FHWA has posted a thermometer graphic on the public homepage, which is updated daily and allows the public to see the number, and dollar amount of projects obligated, as well as a percentage graphic. FHWA will also participate in Department-led public communication activities such as mapping of Recovery Act data. FHWA Public Affairs will use existing channels to communicate with the general public. In addition, public affairs may periodically announce Recovery Act-related milestones.

Collecting and validating project-level data:

Data collection: Data will be collected through a series of standard forms and database entries. Generally, the data will be supplied by contractors and their sub-recipients, State DOTs, FHWA Division offices, and others involved in reviewing and auditing projects and programs. The data will be housed in a customized database built to handle the task. Other non-standard pieces of information may be collected by other means in order to fulfill ad-hoc tasks and support intermittent decision-making. The creation and maintenance of the database will be supported by 3.2 contractor work years in 2009 year, and 1.2 contractor work years per year in 2010 to 2012.

Data validation:

A staff member in headquarters is assigned to review incoming data to the database. The individual validates data by calling Division offices if the data are inconsistent. Other data items will be validated by analysts charged with various tasks.

Ensuring best use of federal funds:

For jobs creation and retention	FHWA has established monthly collection of direct employment data from States and other FHWA grant recipients.
For program or project outputs	As part of our reviews and oversight of State compliance with the Recovery Act, FHWA will monitor eight performance metrics identified in the Risk Management Plan, namely competitive awards (bid tab analysis), timely award and expenditure of funds, use of funds, timely completion of work, cost overruns, and fraud indicators. The newly reported data and information, when correlated to financial data from existing systems at the national level, will allow us to conduct analysis in high-risk areas that were previously impossible. This analysis may provide insights to further strengthen our program and project oversight efforts and allow us to identify and address emerging vulnerabilities.
For other public benefits	The responsibility for selecting projects eligible for Recovery Act funds is with the States. The States regularly report outcome performance data to DOT and FHWA, so that the Agency can report progress nationwide in achieving outcomes using measures for traffic congestion, highway-related fatalities, bridge and pavement performance and conditions, and environmental streamlining. Internally produced studies such as the biennial Conditions and Performance Report provide an overall assessment of program benefits related to highway infrastructure. The DOT shares the data with other government agencies and publicly releases the State-level data annually in publications such as Highway Statistics. The FHWA and DOT report on its progress in achieving its strategic outcomes annually in DOT Performance and Accountability Report.

Holding program managers and recipients accountable:

Program Managers	FHWA offices added Recovery Act activities to their FY 2009 operating plans. FHWA uses corrective action plans to actively monitor and track through completion. Program managers and other employees at FHWA will be held accountable for meeting Recovery Act-specific goals through existing processes of review by supervisors, including through the existing performance appraisal
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	process.
Primary and Secondary Recipients	<p>Primary Recipients: FHWA is executing the Recovery Act under the existing Federal-aid Highway Program regulatory framework. Title 23 USC 106 requires FHWA to establish an oversight program which includes FHWA and state responsibilities. FHWA has established activities and processes to ensure funds are awarded promptly, fairly and reasonably. This process encompasses a stewardship agreement; risk management framework; Fiscal Management Information System (FMIS); Delphi accounting system; and review and oversight programs (such as the Financial Integrity Review and Evaluation (FIRE) program and the National Performance Review Program). FHWA has also held and will continue to hold Recovery Act webinars with State DOTs; in March, the FHWA administration conducted a webinar with the AASHTO CEO group. Additional staff will be hired at the division office level to conduct greater checks of documentation and quality assurance processes. FHWA will also adhere to the redistribution of funds requirement in the Recovery Act legislation. In keeping with the intent to create jobs quickly, states may lose funds if they fail to meet the maintenance of effort requirements as intended by Congress (see redistribution requirements).</p> <p>Secondary Recipients: Held webconferences with Local Planning Agencies on 3/12 and 3/18. FHWA is also working with state and local agencies to increase sub recipient oversight at the state DOT level, including the development of an FHWA checklist and conducting regular monitoring and reviews.</p>

Compliance & Results

Reducing environmental impacts:

Recovery Act funds will help to reduce emissions and improve energy efficiency in the following ways: improving traffic flow, thereby reducing vehicle idling and stop-and-start driving conditions that are associated with higher levels of emissions; encouraging changes in travel behavior that reduce motor vehicle miles traveled (such as shifts to ridesharing, bicycling, or walking); and using technologies to reduce the rate of emissions. Existing documentation and rules put forth by the agency will continue to be fully applied to all projects funded by the Recovery Act. FHWA will also add one full-time and one part-time employee through FY2011 to deal with environmental issues.

Complying with National Environmental Policy:

All NEPA requirements will be fully complied with for Recovery Act projects under existing rules and procedures.

Complying with National Historic Preservation Standards:

FHWA will continue to use existing Historic Preservation standards in regards to historical preservation. The proposed use of land from an historic resource on or eligible for the National Register will normally require an evaluation and approval under Section 4(f) of the DOT Act.

Holding recipients accountable for energy efficiency and/or green building standards:

FHWA will ensure compliance with all existing NEPA rules and regulations. States will report the status of environmental compliance of their projects to FHWA on Form-1586