



U.S. Department of
Transportation

Office of the Secretary
of Transportation

SEP 22 2008

ORDER

DOT 2300.8A

Subject: Financing Activities at the Department of Transportation/Research and Innovative
Technology Administration's Volpe National Transportation Systems Center

1. PURPOSE. This order establishes policies and procedures that govern entering into and funding agreements for support to be provided by the U.S. Department of Transportation's (DOT) internal Departmental technical resource, the John A. Volpe National Transportation Systems Center (Volpe Center), to Operating Administrations (OA) of the DOT, including components of the Office of the Secretary of Transportation (OST).
2. CANCELLATION. DOT Order 2300.8, Financing Activities at the Department of Transportation/Research and Innovative Technology Administration's Volpe National Transportation Systems Center, dated 9/27/07.
3. REFERENCES.
 - a. Volpe Center Working Capital Fund, statute, 49 U.S.C. section 328, available at http://assembler.law.cornell.edu/uscode/html/uscode49/usc_sec_49_00000328----000-.html.
 - b. DOT 2300.6E, Volpe National Transportation Systems Center Indirect Cost Policies, dated 8-7-03.
 - c. DOT 2700.7C, Administrative Control of Funds, dated 2-15-89.
 - d. DOT 2300.2A, Administration of the Working Capital Fund, Transportation Systems Center, dated 8-26-82.
 - e. Deviation Class TAM 1217.5-70, Interagency and Intra-agency Acquisitions Under the Economy Act, dated 12-28-06.
 - f. DOT Financial Management Policies Manual, Section 9: Financial Management Policies Governing Funded Intergovernmental and Intra-agency Agreements, dated 10-24-06, effective 10-1-07.
4. BACKGROUND. Established in 1970 and located in Cambridge, Massachusetts, the Volpe Center, part of DOT's Research and Innovative Technology Administration (RITA), serves as DOT's in-house research, development, and analysis organization for transportation and logistics issues, particularly those benefiting from an intermodal and systems perspective. The Volpe Center website (www.volpe.dot.gov) provides information on the Center's capabilities as well as examples of previous technical services and support to customers.

DISTRIBUTION:

OPI: RITA

The Volpe Center's activities are financed through a working capital fund governed by 49 U.S.C. §328. The Volpe Center does not receive direct appropriations. All direct and indirect costs of operation are funded by performing projects on a cost reimbursement basis.

5. POLICY. In addition to serving as a DOT internal resource for research, development, testing, evaluation, analysis, and related activities, the Volpe Center's enabling legislation also permits it to provide those services and expertise to other Federal agencies, State and local governments, other public authorities, private organizations, and foreign countries.¹ The Research and Innovative Technology Administration's Volpe Center is an internal Departmental resource and its working capital fund legislation (reference a. above) exempts it from the Economy Act. New procedures were established by OST on October 24, 2006, with an effective date of October 1, 2007, for entering into and funding all DOT intra-agency agreements. This order provides guidelines, consistent with the DOT policy, for agreements between the DOT OAs, including OST offices, and the RITA/Volpe Center.

Non-DOT entities normally follow their own organization's policies and procedures for funding projects at the Volpe Center. However, those entities may refer to or utilize this guidance where appropriate.

Work accepted for performance by the RITA's Volpe Center must conform to the Volpe Center's working capital fund statute, must support the current transportation and logistics enterprise and its future development, must involve Volpe Center Federal staff in the direct performance of the work or in the technical and management oversight of contractor performance, must have manageable risks, and must follow the procedures contained in this order. In accomplishing its work, the Volpe Center complies with legal, acquisition, and policy guidance generally applicable to DOT organizations.

6. DEFINITIONS.

- a. Customer: The DOT organization for which RITA's Volpe Center performs work.
- b. Customer Annual Business Plan (CABP): A document, produced once each year, normally during the DOT customer's planning cycle, that summarizes the business planning done between the DOT customer's and RITA's Volpe Center. The document includes the anticipated work to be accomplished in the next fiscal year. A CABP may be prepared for each DOT customer where work with RITA's Volpe Center is anticipated. The CABP is not a financial management document and does not commit or obligate funds.
- c. Intra-agency Agreement (IAA): For purposes of this order, an agreement whereby a DOT OA obtains needed services from RITA's Volpe Center in exchange for reimbursement. An IAA serves as the bilateral agreement to obligate customer funds and describes work to be performed.

¹ See paragraph 3.a. for link to legislation.

d. Memorandum of Understanding (MOU): For purposes of this order and consistent with DOT Financial Management Policies Manual, Section 9: Financial Management Policies Governing Funded Intergovernmental and Intra-agency Agreements, effective October 1, 2007, an MOU is a document that may be used to establish the overall scope, goals, and objectives of RITA's Volpe Center project or program. An MOU can be a useful vehicle for documenting the full scope of an integrated project, particularly when funding to support an integrated effort is provided via more than one IAA. In those cases, an MOU may serve as a framework for the IAAs, which are used to formally commit the agency and RITA's Volpe Center in support of a project or program. An MOU alone cannot be used as the vehicle for documenting the obligation or transfer of funds between DOT OAs.

7. RESPONSIBILITIES.

- a. Head of Customer Operating Administration or OST Office (or designee):
 - Establishes internal procedures for reviewing and approving IAAs.
 - Approves, or delegates approval, for IAAs.
 - Establishes internal procedures for the preparation of, and concurrence on, the OA's CABP, if required.
- b. Customer Project Manager (or designee):
 - Prepares the project(s) Statement(s) of Work (SOW) for the IAAs that will fund the DOT customer's project(s).
 - Coordinates the funding of the DOT customer's project(s) with its administrative function responsible for processing RITA's Volpe Center IAAs.
 - Identifies and communicates the scope and desired outcomes of work to be performed by RITA's Volpe Center.
 - Establishes technical requirements and/or statement of objectives, reviews deliverables, oversees project status and cost, and provides project funding.
 - Ensures that any congressional limitations imposed on appropriations that fund work to be performed by RITA's Volpe Center are reflected in the IAA.
 - Coordinates with RITA's Volpe Center Project Manager to develop estimates and projections of future work for the CABP.
- c. RITA Administrator
 - Approves, or delegates approval of, IAAs.
- d. Volpe Center Associate Administrator (or designee):
 - Establishes a work acceptance process and approves (or recommends for approval) work acceptance documentation.
 - Establishes standards and practices for program management to assure high quality products and services are delivered on time and within budget.
 - Establishes Volpe Center procedures for assisting customers in the preparation of and concurrence on the OA CABPs.
- e. Volpe Center Project Manager (or designee):
 - Coordinates with the DOT Customer's Project Manager regarding expectations, scope, and outcomes of work to be performed.

- Prepares project management plans as required.
- Performs all project management activities.
- Directs all project work activities.
- Manages and reports on project status and costs.
- Coordinates with the DOT Customer's Project Manager to develop estimates and projection of future work for the CABP.

f. Volpe Center Accounting Officer

- Provides official financial management system reporting in conjunction with the Volpe Center Budget Officer.

g. Volpe Center Budget Officer:

- Provides official financial management system reporting in conjunction with the Volpe Center Accounting Officer.
- Oversees IAA review and approval processes, including internal and customer coordination on IAA packages.
- Coordinates IAA and project numbering and revisions with the Customer Financial Points of Contact (POC) and the Volpe Center Project Managers.

8. THE CUSTOMER ANNUAL BUSINESS PLAN.

a. Following are the purposes of the Customer Annual Business Plan (CABP):

- (1) Provide DOT customer leadership with a strategic perspective on the DOT customer's mission being supported by RITA's Volpe Center.
- (2) Provide RITA's Volpe Center with an understanding of the anticipated requirements for the coming Fiscal Year so that it can effectively plan for the staff and contractor support that will be required to accomplish the DOT Customer's projects.

Each year, normally during the DOT customer's planning cycle, the DOT customer may develop a CABP for the following FY and work with RITA's Volpe Center, if desired. DOT customers may also work with RITA's Volpe Center to update the CABP during the course of an FY when initial expectations for projects are substantially altered, but this is not required. The CABP is an optional planning document and does not constrain the support provided to the OA by RITA's Volpe Center during the year.

b. A sample CABP outline is included at Attachment A. The CABP may be modified according to the needs of the DOT. In an annual CABP session RITA's Volpe Center will provide a program review of the OA's existing project portfolio.

c. The CABP should be used to ensure projects are consistent with the DOT customer's mission. Key officials such as OA Chief Financial Officers, Chief Information Officers, Chief Administrative Officers, Heads of the Contracting Activities, or their designees should review the CABP and determine if the appropriate level of oversight and/or involvement for each project is being provided.

9. THE IAA PROCESS.

a. General Provisions: Because the Volpe Center's reimbursable authority is provided by its Working Capital Fund statute, the Economy Act does not apply, e.g. determination and findings, reimbursement of end of year funds, and Contracting Officer approval do not apply. RITA's Volpe Center must ensure that work accepted conforms to its working capital fund statute.

b. IAA Initiation: Representatives of the customer and RITA's Volpe Center meet to discuss potential work and to define the scope and content of the IAA(s). An IAA may fund more than one project. Each project funded on an IAA must have an SOW attached and a funding amount clearly specified at a level agreed to by both parties.

c. Preparation of the IAA: Once the requirements, scope, and budget have been defined and agreed upon, as evidenced by technical staff approval by the Volpe Center and the customer organization, IAAs to fund the work are prepared. IAA packages will include the required elements on the DOT Form 2300.1a. The DOT customer will ensure that any congressional limitations imposed on its appropriations that impact work to be performed by RITA's Volpe Center are reflected in the IAA description. Upon completion of the bilateral signatures on the IAA, the DOT customer will transfer obligation authority to RITA's Volpe Center. This transaction is an obligation for the DOT customer and obligation authority for RITA's Volpe Center.

(1) Treasury Appropriation Fund Symbols (TAFS): Only one TAFS may fund an IAA. Projects that the customer funds via more than one TAFS must be funded via a corresponding number of DOT Forms 2300.1a. The associated project SOWs should indicate that the projects are related and specify whether and how they inter-relate to complete the work. In its simplest form, this relationship can be documented by a master project summary that describes the overall scope of the project. That summary is shared by all related projects². An MOU, as described in paragraph 6.d., may be used in conjunction with an IAA or a set of IAAs, to document the full scope of a given project. RITA's Volpe Center will provide guidelines, samples, and templates to customers to facilitate preparation of required documents. These will be periodically updated and available electronically.

(2) Period of Performance: While the Volpe Center's Working Capital Fund statute states that amounts in the fund are available without regard to fiscal year limitation, the maximum period of performance for all DOT IAAs, including those with the Volpe Center, is 5 years based on DOT Financial Management Policies Manual, Section 9, effective October 1, 2007. Most Volpe Center work is non-severable in nature, therefore, most Volpe Center agreements may have up to a 5 year period of performance regardless of the source appropriation's limitations. If more than one project is funded on an IAA, all projects inherit the

² The TAFS represents the level of intra-departmental financial elimination required by DOT Financial Management Policy. No requirement exists to eliminate at a lower level where the administrative workload on Departmental resources could be significant.

IAA's Period of Performance unless a shorter duration is specified in an individual SOW.

- d. Approval of the IAA: Once the IAA is approved and signed by both parties, RITA's Volpe Center can initiate work.
- e. Project Status Reporting and Monitoring Work: After work begins, both the DOT Customer Project Manager and RITA's Volpe Center Project Manager have responsibilities for monitoring progress on completion of deliverables in accordance with the agreed upon budget and schedule, as well as to discuss risks and issues as they arise. RITA's Volpe Center Project Manager will provide monthly project status reports to the Customer Project Manager. The DOT Customer Project Manager will review these reports and will quickly communicate any concerns about cost, quality, budget, or schedule to the Volpe Center Project Manager. RITA's Volpe Center will provide sample and template project status reports and guidelines electronically.
- f. Modifications: Modifications to IAAs should be made in accordance with the DOT Financial Management Policies Manual. The policy states that administrative modifications may be accomplished through simple pen and ink changes to the original agreement with distribution made to the Point of Contact of both the DOT customer agency and the Volpe Center. Administrative modifications include corrections to administrative elements of the agreements (such as accounting classification codes and contact information) and minor changes to scope that do not affect the period of performance or agreement amount. Administrative modifications do not require the assignment of new obligation and/or agreement numbers. However, to ensure that official agreements are always current, a revision indicator and description should document the changes for both the Volpe Center and DOT Customer official records. Other types of IAA modifications include changes to the agreement amount and period of performance and substantive changes to the SOW. Modifications to those elements must be in writing and normally follow the same approval process set forth for the original agreement.

10. TERMS AND CONDITIONS

- a. Background. This section describes the terms and conditions that apply to all IAAs between the DOT organizations and the Volpe Center. These terms and conditions are incorporated by reference into all DOT/Volpe Center IAAs.
- b. Special Provisions Related to the Volpe Center Working Capital Fund Statute, 49 U.S.C. §328.
 - (1) Any statement in an IAA indicating a deadline for obligation of cited funds (for example, "funds expire on_____" or "funds must be obligated by_____") is interpreted as applying to the initial obligation of the sponsoring agency's funds to the Volpe Center's Working Capital Fund, and is not considered applicable to the subsequent obligation of funds by the Volpe Center in the performance of the IAA.

- (2) Funds must be advanced to the Volpe Center's Working Capital Fund prior to work commencement, in accordance with the Volpe Center's Working Capital Fund statute, 49 U.S.C §328. IAAs may be incrementally funded during Continuing Resolution(s) until funds are appropriated.
- c. Legal Authority for DOT Intra-agency Agreements with the Volpe Center. The legal authority for all DOT IAAs with the Volpe Center is 49 U.S.C. §328. That authority, or a reference to this order, shall be entered on the appropriate line in the IAA Form. The Comptroller General advises that, when an intragovernmental revolving fund statute provides specific authority for funds to be transferred between agencies, that statute, rather than the Economy Act, governs the transaction. B-301561 (June 14, 2004). The Volpe Center operates under such an intragovernmental revolving fund statute, 49 U.S.C. 328, and this statute provides legal authority for all DOT IAAs with the Volpe Center. Therefore, the Economy Act requirement that the ordering agency deobligate a fiscal year appropriation at the end of the fiscal year to the extent that the performing agency has not performed does not apply to transactions with the Volpe Center.
- d. Funding. Charges to DOT customers for DOT IAAs will reflect only actual costs and no profit. Should the work on an IAA be accomplished or terminated before funds are exhausted, the balance will be returned by mutual agreement between the Volpe Center and the customer and consistent with paragraph 10.g. of this order. Should funds be exhausted, all work will stop at that point until additional funds are obligated.
- e. Financial/Accounting Reports. The Volpe Center Accounting Officer shall provide the DOT Customer Accounting contact with a monthly report of total commitments and obligations made to date in the standard format provided to all Volpe Center Customers. This report is used by DOT customers to liquidate cash advances to Volpe and assist in the reconciliation of customer and Volpe records.
- f. Project Reports. Project status reporting and customer monitoring and communication will be accomplished in accordance with Paragraph 9.e. of this order.
- g. Termination of Work. Termination occurs when either the DOT customer or the Volpe Center chooses to end the agreement before the period of performance has expired or before the goods, services, and/or deliverables under the agreement have been accepted. The Volpe Center will respond promptly to a DOT customer's termination notice in accordance with Section 9.5.4, Modifications and Termination, of the DOT Financial Management Policies Manual. The DOT customer is responsible for all costs incurred through the termination date and for any additional costs incurred that the Volpe Center judges are necessary to complete an orderly IAA close, including the closeout of any associated contracts. The Volpe Center will retain funds estimated as sufficient for IAA closeout until closeout completion, after which any remaining funds will be promptly returned to the DOT customer.
- h. Resolution of Disputes. The RITA/Volpe Center and the DOT customer agree to work cooperatively in carrying out their responsibilities under DOT IAAs. In the event that a dispute arises that cannot be resolved informally by staff members who

are immediately involved, the matter shall be submitted in writing to the Associate Administrator of the Volpe Center and/or his/her designee who shall confer as necessary to resolve the dispute. The Volpe Center Associate Administrator shall inform the RITA Administrator of any dispute with a DOT customer that has been referred to him/her under this provision.

i. Changes to Standard Terms and Conditions. Any specific terms and conditions related to a particular IAA that are over and above those covered in this order should be documented in the specific IAA.

A handwritten signature in black ink, appearing to read 'P. R. Brubaker', with a long horizontal flourish extending to the right.

Paul R. Brubaker
Administrator, RITA

Guidelines and Recommended Outline for Customer Annual Business Plan

1. Required Elements

At a minimum, the CABP for each OA will include an introductory paragraph and a list of projects as outlined below.

a. Introduction

In accordance with DOT Order 2300.8, Financing Activities at the Department of Transportation/Research and Innovative Technology Administration's Volpe National Transportation Systems Center, dated (insert final date), the Customer Annual Business Plan (CABP) for Volpe Center support to DOT Customer (insert name of OA) in Fiscal Year (FY) (insert FY) is outlined below. This CABP documents the DOT Customer's plan for use of the Volpe Center in carrying out project assignments during FY (insert) and is used for communication and information purposes. It is not a financial management document and does not commit or obligate funds. Both DOT Office XX and the Volpe Center understand that Federal priorities and spending authorizations continually change and that plans must be flexible to accommodate fluctuations. Changes to the DOT Customer's plans for working with the Volpe Center will be reflected in the following year's plan unless (insert name of OST office or OA) chooses to revise it more often.

b. Project List and Projections

This CABP includes a list of the DOT Customer's (insert name of OST office or OA) current and anticipated projects (1 and/or 2 year projection for current and new work). Detail on each project includes the following elements:

- Project number
- Title
- DOT Customer Organization Code
- Information that delineates each existing project's size and description.
- Information that identifies each potential/planned new project or program area, e.g. estimated size, desired outcomes, potential risks, etc.

2. Recommended Elements

In addition to the above, a recommended outline for accompanying executive level information is provided:

- DOT Customer Background Material
 - DOT Customer mission statement
 - Brief description of DOT Customer's programs, budget, and/or other material.
- Overview of Volpe Center Support.
 - DOT Customer programs supported by the Volpe Center and nature of support.
 - Summary level financial statistics of Volpe Center support to the DOT Customer.
- DOT Customer Outlook and Focus for next fiscal year(s)
 - DOT Customer environment and program priorities such as new legislative initiatives, changes in funding levels, major upgrade to automated systems.
 - Emphasis for ongoing programs (major milestones, growth, phase down).