



United States
Department of Transportation

American Recovery and Reinvestment Act

Office of the Secretary

Supplemental Discretionary Grants

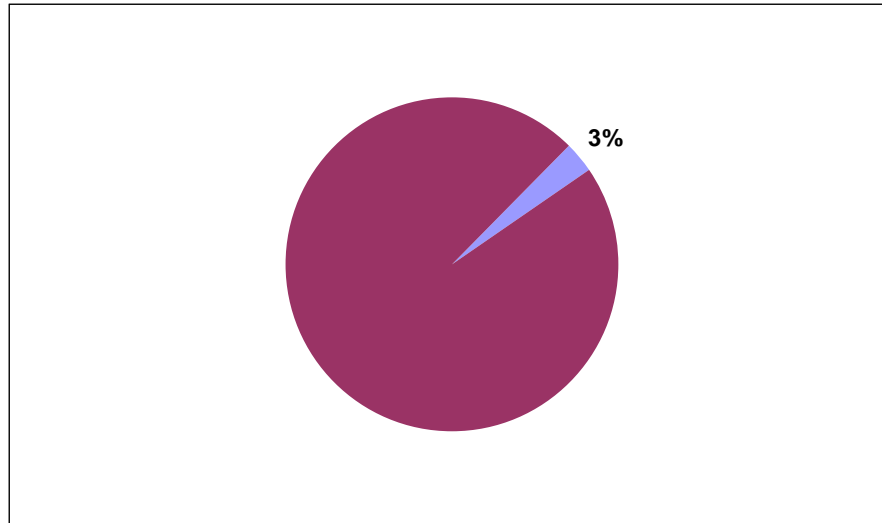
Program Performance Plan



Funding

Funding: \$1,500,000,000

Percentage of DOT total Recovery Act funding:



Type: Grant program

Period of Availability: Three year funding (thru 2011)

Time line for announcing:

February 17, 2009	The Recovery Act was signed by the President.
May 18, 2009	A solicitation for applications, including project selection criteria, will be published in the Federal Register.
June 1, 2009	Deadline for public comments on solicitation and selection criteria.
June 17, 2009	If substantive changes are necessary based on the comments, the Department will publish a supplemental Federal Register notice.
September 15, 2009	Deadline for receipt of applications.
February 17, 2010	Department will evaluate all applications and announce the projects that have been selected to receive Grant Funds as soon as possible after the application deadline, but no later than this date.

Amount allotted for administrative cost:	Up to \$1.5 million
Amount allotted for distribution:	Up to \$1.5 billion

Program Description

Program objectives:

Under this new program, grants are awarded for transportation projects (including highway, transit, rail and ports) that will contribute to near-term economic recovery and job creation, maximization of long-term economic benefits and impacts on the Nation, a region, or a metropolitan area, and assistance for those most affected by the current economic downturn. DOT will determine how to allocate funds among projects and across modes based on the selection criteria described in the solicitation.

Public benefits:

Depending on the projects selected for funding, public benefits are expected to include: (1) improved condition of existing transportation facilities and systems; (2) long-term growth in employment, production or other high-value economic activity; (3) improved livability of communities; (4) improved energy efficiency, reduced dependence on oil and reduced greenhouse gas emissions; (5) reduced adverse impacts of transportation on the natural environment; (6) reduced number, rate and consequences of surface transportation-related crashes, injuries and fatalities; (7) greater use of innovative technology and innovative approaches; (8) greater collaboration among traditional and non-traditional stakeholders; or (9) greater integration of transportation decision making with decision making by other public agencies.

Project level activities:

This program is for capital investments in surface transportation infrastructure. Projects that are eligible for grants include, but are not limited to: (1) highway or bridge projects; (2) public transportation projects; (3) passenger and freight rail transportation projects; and (4) port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement.

Funding determination:

There is no specific formula for this program. DOT published a solicitation for applications, which includes project selection criteria and describes the logic and process the Department will use for making grant award decisions. Also, the Recovery Act specifies requirements for the distribution of funds, which are related to maximum and minimum grant sizes (\$300 million and \$20 million, respectively), limits on total grant funds each state may receive (20% of total), ensuring equitable geographic distribution and balancing the needs of urban and rural areas. The Department may waive the minimum grant size for significant projects in smaller cities, regions, or States.

Project selection criteria:

Grants will be awarded based on two categories of selection criteria, "Primary Selection Criteria" and "Secondary Selection Criteria." The Primary Selection Criteria include (1) long-term improvements to the condition of U.S. transportation assets, the Nation's economic competitiveness, the livability of communities, and the sustainability and safety of the surface transportation system, and (2) jobs creation and economic stimulus. The Secondary Selection Criteria include (1) innovation and (2) partnership (both in terms of collaboration with traditional and non-traditional partners and integration of transportation with other public service efforts). Additional guidance about the selection criteria is available in the solicitation for applications.

Funding decisions made by: US Department of Transportation

Contracting vehicle(s): Any contracting requirements will follow those of the operating administration facilitating the grant.

Primary recipients: State Governments

Beneficiaries: General Public

Significant program challenges and mitigation strategies:

No statutory or regulatory barriers identified

Challenge 1: Implementation and Oversight of New Grant Program: This program is a new program. Implementation and oversight will likely require the Office of the Secretary to acquire new expertise and resources and to cooperate with the relevant DOT administrations to ensure that each of the grants is properly administered, with all necessary oversight.

Challenge 2: Unused Funds. Funds under this program are available for award until September 30, 2011. While the Department expects to select projects for funding no later than February 17, 2010, as required by the Recovery Act, the Department will need to ensure that unused funds are rapidly identified and reallocated for use by other eligible projects.

Challenge 3: Recovery Act Reporting Requirements. The Recovery Act requires the Department and grant recipients to comply with unprecedented tracking and reporting requirements that are designed to promote accountability and transparency. The Department will need to work closely with the relevant DOT modal administrations and grant recipients to ensure that these requirements are complied with.

Mitigation: In order to properly implement and oversee this new grant program, the Office of the Secretary has established a team charged with meeting all of the Recovery Act requirements and ensuring that the program is built upon merit-based and transparent criteria. The Office of the Secretary also currently plans to (i) partner with the relevant DOT modal administrations that have existing

expertise or experience administering and overseeing similar grant programs, and (ii) acquire new personnel, or provide training to existing personnel, to ensure that the Department is properly administering this program and that funds are being spent quickly and wisely. Furthermore, the Office of the Secretary is participating in Department-wide Recovery Act-related risk assessment and management process to assess, evaluate, and address risks, including those related to the Recovery Act reporting requirements and the reallocation of unused funds.

Program Activities

Summary of implementation process:

Competitive project selection criteria was published in a solicitation for applications on May 18, 2009. Because this is a new program, DOT will invite public comment on the solicitation by June 1, 2009. If substantive changes are necessary, the Department will publish a supplemental Federal Register notice and request for applications by June 17, 2009. Applications are due to DOT by September 15, 2009.

The Department will establish an evaluation team to review each application that is received by the Department prior to the application deadline. The evaluation team, composed of technical and professional staff, will be organized and led by the Office of the Secretary and will include members from each of the appropriate Modal Administrations. The Department will evaluate all applications and announce the projects that have been selected to receive Grant Funds as soon as possible after the Application Deadline, but no later than February 17, 2010.

The Department expects that each grant will be administered by the modal administration in the Department with the most experience and/or expertise in the relevant project area, pursuant to a grant agreement with a grant recipient. How soon after award a project is expected to expend Grant Funds and start construction will be considered on a case-by-case basis and will be specified in the project-specific grant agreements.

Applicable Federal laws, rules and regulations will apply to projects that receive grants, including all of the requirements included in the Recovery Act.

Entities receiving grants will be required to report on grant activities on a routine basis. According to the Section 1201 (c) of the Recovery Act, grant recipients must submit the first of these reports not later than 90 days from February 17, 2009, and must submit updated reports not later than 180 days, 1 year, 2 years, and 3 years after that date. Due to the unique timeframe for this program, grant recipients will submit the first of such reports on the first due date following award and on each subsequent due date thereafter.

Milestones

	Milestone	Date	Anticipated Accomplishment
1	Request for Applications	May 2009	Determination of project selection criteria and publication of solicitation of applications
2	Deadline for receipt of grant applications	November 2009	DOT receives and begins evaluation of proposals (120 days from date of publication of solicitation)
3	Deadline for announcement of all projects to be funded under the program	February 2010	Completion of evaluation of all applications received by the DOT and selection of projects for funding
4	Obligation of funds	September 2011	100% of funds will be obligated by September 2011
5	Project completion	February 2012	100% of funds will be expended by the recipients and construction will be complete

Anticipated Results

Expected Outcome 1

With Recovery Act Funding: No additional jobs are created or maintained

Without Recovery Act Funding: Additional jobs are created and maintained through projects funded under this program

Related Outputs: Total job/hours created or retained

Expected Outcome 2

With Recovery Act Funding: The condition of existing transportation facilities that would have been funded under this program would not improve.

Without Recovery Act Funding: The condition of existing transportation facilities that will be funded under this program will improve.

Related Outputs: The Department will report on the number of facilities that are to be replaced, repaired or improved with funding provided pursuant to this program.

The following measures do not have prior performance history or performance targets because this is a new program.

Measure 1

Number of projects awarded

Explanation of Text:
competitive process.

Number of projects selected under the

Measure 2

Number of projects under construction

Explanation of Text:
construction and are providing employment.

Number of projects which have started

Measure 3

Number of projects completed

Explanation of Measure:
construction and are providing promised benefits.

Number of projects which have finished

Risk Management & Evaluation

Risk:

The Office of the Secretary is participating in Department-wide efforts to develop and execute risk management plans for ARRA-related programs. The efforts for this program include: (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3) developing a risk mitigation strategy to address risks, and (4) participating in a validation and testing process to ensure that risks are being addressed. The initial assessment will be completed in late May 2009.

Reporting Risk	The Office of the Secretary expects to utilize tools created by a Department-wide team for Recovery Act data collection from grant recipients.
Human Resources Risk	The Office of the Secretary will partner with relevant modal administrations that have technical experience and expertise to utilize their existing grant management structures. The Office of the Secretary is also in the process of identifying human resources needs with respect to oversight and administration of the Program.
Grants Risk	The Office of the Secretary is in the process of creating a grant management structure for this new program, which will include periodic oversight reviews to assess grantee compliance with Recovery Act-related and other Federal-requirements, among other things.
Procurement Risk	The Office of the Secretary does not anticipate awarding any contracts for this program.
Budget/Financial Risk	The Office of the Secretary has established a separate Treasury Account Fund Symbol (TAFS) to ensure that program funds are clearly distinguishable and there are controls in place to ensure that program funds are not commingled with other agency funds.
Systems Risk	The Office of the Secretary is aware of the data elements that must be aggregated and reported and will work to make sure that financial and operational systems are configured to manage and control recovery funds.
Audit/Investigations	The program is a new program and has not identified any internal control weaknesses. However, the

Risk	organization will use the current FMFIA Program to address future internal control weaknesses.
Performance Risk	This is a new program and will be following new procedures.

Planned program assessment / evaluation:

Plans for conducting program assessments or evaluations are in development and will not likely be finalized until projects have been selected and the most significant measures of performance have been identified.

Estimated Start Date	Estimated Completion Date
To be Determined	February 2012

Results of recent program assessment / evaluation:

This is a new program and has not previously completed any program assessments or evaluations.

Estimated Start Date	Estimated Completion Date
Not Applicable	Not Applicable

Accountability & Transparency

Scheduling reviews:

Timing and nature of reviews of project and program performance are yet to be determined

Communicating with recipients:

The Office of the Secretary expects technical representatives and project management oversight teams to be in frequent contact with grant recipients. Oversight and management teams will likely include representatives from the Office of the Secretary and from the relevant DOT modal administrations.

Communicating with public and stakeholders:

The website for this program will be available shortly by link from the DOT Recovery Act website, at <http://www.dot.gov/recovery/>. DOT is considering additional opportunities to communicate with the public and stakeholders to ensure transparency in process and results and engage in two-way communication.

Collecting and validating project-level data: The program is working with representatives from throughout DOT to determine the best way to collect and validate project-level data for Recovery Act programs.

Ensuring best use of federal funds:

For jobs creation and retention	One of the selection criteria established for this program requires the Department to give priority to projects that will contribute to job creation and rapid economic recovery.
For program or project outputs	Applicants are generally required to identify, quantify, and compare expected benefits and costs, subject to certain qualifications. This requirement will be waived for applicants seeking waivers of the \$20 million minimum grant size requirement. Any applicant seeking a grant of more than \$20 million but less than \$100 million must include in its application estimates of the project's expected benefits in the five long-term outcomes identified as priorities. And any applicant seeking a grant in excess of \$100 million must provide a well-developed analysis of expected benefits and costs, including an assessment of a project's benefit cost ratio. These requirements are explained in greater detail in the solicitation for applications.

For other public benefits	The selection criteria established for this program are merit-based to help ensure responsible spending.
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Holding program managers and recipients accountable:

Program Managers	Department-wide performance management approaches will incorporate Recovery Act objectives.
Primary and Secondary Recipients	Grant administration procedures will incorporate Recovery Act requirements, including plans for identifying unused funds for reallocation to other eligible projects.

Compliance & Results

Reducing environmental impacts:

One of the key selection criteria identified for this program is improved energy efficiency, reduced dependence on foreign oil, reduced greenhouse gas emissions and reduced environmental impacts.

Complying with National Environmental Policy:

Applicants for grant funds are required to detail whether the project will significantly impact the natural, social and/or economic environment. If the NEPA process is completed, an applicant must indicate the date of, and provide a website link or other reference to, the final Categorical Exclusion, Finding of No Significant Impact or Record of Decision. If the NEPA process is underway but not complete, the application must detail where the project is in the process, indicate the anticipated date of completion and provide a website link or other reference to copies of any NEPA documents prepared.

Complying with National Historic Preservation Standards:

All projects will comply with National Historic Preservation standards while complying with NEPA requirements. Any specific requirements will be determined by the nature of the project by the operating administration facilitating the grant.

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

To be determined.