



# ***The American Recovery and Reinvestment Act of 2009***

<http://www.dot.gov/recovery/>

**Enacted  
February 17, 2009**



U.S. Department of Transportation  
Federal Highway Administration

# A Rose by any other name...



- *The American Recovery and Reinvestment Act of 2009*
- *Was commonly referred to as...*
  - A.R.R.A.
  - Ar-ră
  - A-ray
- *Now most commonly referred to as...*
  - The Recovery Act (of 2009)



# CONTROL



*"I claim not to have controlled events, but confess plainly that events have controlled me."*



U.S. Department of Transportation  
Federal Highway Administration

# FOUR Questions



1. What are the goals of the Recovery Act?
2. What will happen to our construction program over the next 18 months?
3. Where you should go to find up to date information on Recovery Act?
4. Where you should go if you have questions on Recovery Act?





# Renewing America's Infrastructure, April 13<sup>th</sup> at US DOT



"What is most remarkable about this effort ... isn't just the size of our investment or the number of projects we're investing in. It's how quickly, efficiently and responsibly those investments have been made," Obama said. "Because these projects are getting approved more quickly than we thought ... and because these projects are costing less than we thought, we can utter a sentence rarely heard in recent years:

**This government effort is coming in ahead of schedule and under budget."**



U.S. Department of Transportation  
Federal Highway Administration



*White House photo 3/13/09 by Pete Souza*

# John Horsley

## Executive Director, AASHTO



- “Under budget???”
- Stimulus projects are coming in well within engineering cost estimates...
  - Ex. Pennsylvania 12% under estimate
  - 4 others ranged from 8% to 14% under est.



POTUS



# Transportation Investment Generating Economic Recovery



- <http://www.dot.gov/recovery/>



U.S. Department of Transportation  
Federal Highway Administration

# TIGER

# Outline



- Objectives of the Act
- Funding Availability/Distribution
- Requirements/Provisions
- Accountability and Transparency
  - FHWA Stewardship & Oversight
  - Reporting Requirements
- Next Steps...





# Main Objectives of the Act



- **Job preservation and creation**
- **Infrastructure investment**
- Energy efficiency and science
- Assistance to unemployed, and
- State and local fiscal stabilization





# Status



- Funds Obligate: as of 5-11-09
  - \$ 10,246,152,066 of the
  - \$26,810,000,000
- 2,926 transportation projects have been authorized!
- GOAL: 50% in 120 days  
Date of apportionment is March 2, 2009; therefore, any redistribution will take place on June 30, 2009.

38%



10



# Recovery Act Highlights

*Signed into law on February 17, 2009*



- \$787 billion total investment
- \$48.1 billion (6.1%) for transportation, including:
  - \$27.5 billion for highways (3.5%)...
  - \$ 8.4 billion for transit
  - \$ 8.0 billion for high speed rail
  - \$ 1.3 billion for Amtrak
  - \$ 1.5 billion for National Surface Transportation Discretionary Grants
- **Significant accountability, transparency and reporting requirements**



# Highway Portion Distribution of Funding



- \$27.5 billion **available through Sep. 30, 2010**
- Amounts allocated before apportionment:
  - \$550 M Federal Lands Highway and Indian Reservation Program
    - \$310 M Indian Reservation Roads Program
    - \$170 M Park Roads and Parkway Program
    - \$ 60 M Forest Highway Program
    - \$ 10 M Refuge Roads Program



# Highway Portion Distribution of Funding



- \$20 M Highway Surface Transportation and Technical Training (OJT/Supportive Services)
- **\$ 20 M DBE Bonding Assistance**
- \$ 45 M Territorial Highway Program
- \$105 M Puerto Rico Highway Program
- \$ 60 M Ferry Boat Discretionary Program
- **\$ 40 M FHWA Oversight**





# Funds Apportioned To States



- **Set-asides and sub-allocation of funds**
  - **3% set-aside for Transportation Enhancements**
  - **30% sub-allocation per STP requirements**
- **Funds sub-allocated for**
  - **Individual Areas over 200,000 population**
  - **Areas with populations less than or equal to 200,000**
  - **A portion is reserved for areas less than 5,000 population**





# Distribution of Highway Funds Under Recovery Act



**Appropriation for Highways-  
\$27.5B**

**Less Amount Allocated Before  
Apportionment \$840M**

**Remainder Apportioned to States \$26.6B**

**Transportation  
Enhancements,  
3%**

**Sub-Allocation for  
Areas Based on  
Population, 30%**

**For Any Area  
of the State,  
67%**

**For Individual  
Urbanized Areas  
over 200,000 by %  
of Population**

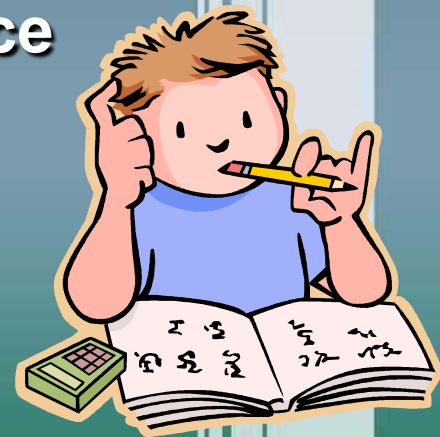
**For Areas with  
Population  
≤ 200,000**

**For Areas with  
Population  
<5000**



# Funds Apportioned to State

- **Eligible Uses**
  - Restoration, repair, construction and other activities under Surface Transportation Program
  - Passenger and freight rail transportation and port infrastructure projects as described under TIFIA
- May not be used for conversion of advance construction on previously authorized federal-aid projects.
- **Federal share up to 100%**



# Funds Apportioned to State



- In selecting projects for funding, priority is to be given to projects that are:
  - Projected for completion within 3 years
  - Located in economically distressed areas





# Use It or Lose It Provisions

- **First Redistribution**
  - 50% of funds apportioned to the State – excluding funds sub-allocated – must be obligated within 120 days or the remainder will be redistributed.
- **Second Redistribution**
  - After 1 year all unobligated balances of apportioned funds, included funds sub-allocated, will be redistributed. Recipients of redistributed funds will have until Sept. 30, 2010 to obligate.





# Maintenance of Effort



- **Certification by Governor**
  - **Within 30 days of enactment, Governors certified to the Secretary that States will maintain the level of State funding for transportation projects.**
  - **Must identify the amount of funds the State planned to expend from State sources from the date of enactment through September 30, 2010.**





# Maintenance of Effort



- **Failure to Maintain Effort**
  - The State will be prohibited from receiving additional limitation in August redistribution for fiscal year 2011.
- Executed at Governor to Secretary level.



# Other Certifications



## The Recovery Act also requires 2 additional certifications:

1. The Governor is to certify that infrastructure investments have received the full review and vetting required by law.
2. The Governor is to certify within 45 days that the State will request and use funds provided by the Recovery Act and the funds will be used to create jobs and promote economic health.



# DBE Requirements



- DBE Goals in Section 1101 (b) of SAFETEA-LU apply to Recovery Act funds.
- **Provides \$20 million in bonding assistance under 49 USC 332(e)**
  - Minority Resource Center in OST
- **Provides \$20 million for On The Job Training/Supportive Services**
  - Supplement existing OJT Programs
  - Entertain new starts (template to be provided)
  - Resurrect Business Opportunity Workforce and Development (BOWD) concepts or other unfunded past efforts
  - Other Ideas – e.g. Wounded Warrior Program in Virginia



# Buy American (BA) Provisions



- Due to the Applicability of Title 23 Requirements in Title XII, there will be **no changes in our BA** implementation for Recovery Act projects
- FHWA's BA statutory provisions in 23 USC 313 and our regulatory policies in 23 CFR 635.410 apply.
- Waivers must be in the Federal Register





# Davis Bacon Act

“No less than locally prevailing wages”



Trivia Question, “What year was the Davis-Bacon Act passed?”

- A. 1922
- B. 1931
- C. 1956
- D. 1963



U.S. Department of Transportation  
Federal Highway Administration





# Davis Bacon Requirements



- **Davis Bacon will apply to all Recovery Act projects** (the existing exclusion for local roads and rural minor collectors will not apply).
- This is the result of the “Notwithstanding any other provision of law and in a manner consistent with other provisions of this Act...” language in Section 1606.



# National Surface Transportation Discretionary Grants



- **\$1.5 billion ( $\leq$  \$200 million for TIFIA)**
  - **Transportation Infrastructure Finance and Innovation Act**
- **Projects with significant impact on Nation, Metropolitan Area or Region.**
- **Ensure equitable geographic distribution of funds and appropriate balance between urban/rural**
- **$\leq$  20% of total funds to single State**
- **Grants between \$20-\$300 million**
- **Federal share up to 100%**



# Accountability and Transparency



*“Every American will be able to hold Washington accountable for these decisions by going online to see how and where their tax dollars are being spent.” - President Barack Obama*

**RECOVERY.GOV**



U.S. Department of Transportation  
Federal Highway Administration

# Reporting Requirements

## Types of Reports



- **Types of Reports**
  - Certification (once)
  - Periodic (90 & 180 days and 1, 2, & 3 years)
  - Quarterly
- **Data for Periodic and Quarterly Reports**
  - Projects
  - Finance
  - Jobs





# Periodic Reports Reporting Schedule



- **Required 90 & 180 days, and 1, 2, and 3 years after enactment.**
- **First report due to FHWA by May 19**
- **Includes information on:**
  1. Number of projects where work has begun
  2. Number of projects where work is complete
  3. Number of direct and indirect jobs
  4. Aggregate expenditure of State funds
  5. Total amount appropriated, allocated, obligated, and outlayed
  6. Number of projects let to bid and number of projects awarded



# Quarterly Reports Reporting Schedule



- States report to FHWA within 10 days of the end of each calendar quarter
- First report was due to FHWA by April 10
- FHWA to report to Recovery.gov within 30 days of the end of each calendar quarter
- Includes information on:
  - 1.Name of project
  - 2.Description of project
  - 3.Estimate of completion status
  - 4.Number of jobs created and number of jobs retained
  - 5.Purpose, cost, and rationale
  - 6.Subcontract information
  - 7.Total funds received
  - 8.Total amount expended or obligated



# Electronic Forms



## **MONTHLY PRIME AND SUBCONTRACTOR EMPLOYMENT REPORT AMERICAN RECOVERY AND REINVESTMENT ACT**

1. First day of reporting period (mm/dd/yyyy):	2. Last day of reporting period (mm/dd/yyyy):	3. Notice to Proceed Date (mm/dd/yyyy)
4. NAME AND ADDRESS OF FIRM		5. FEDERAL-AID PROJECT NUMBER
		6. State Project Number or ID
7. CONTRACTING AGENCY		8. STATE (or Federal Lands Region)
<b>9. Employment Data</b>		
<b>Direct, On-Project Jobs (see guidance for definitions)</b>	<b>TOTAL EMPLOYEES</b>	<b>TOTAL HOURS</b>
JOBS CREATED		
JOBS RETAINED		
<b>TOTAL</b>		
10. PREPARED BY: <i>(Signature and Title)</i>		DATE
11. REVIEWED BY: <i>(Signature and Title of State Highway Official)</i>		DATE

# FHWA

## Stewardship and Oversight



- Delivery of the Recovery Act is the top priority for FHWA
- FHWA is redirecting existing staff and adding additional part-time and full time staff to support increased work load.





# FHWA

## Stewardship and Oversight



- Projects must follow all Federal requirements
- Projects will be advanced with maximum flexibility under the regulations
- Projects will be administered in accordance with our normal Stewardship Agreements



# FHWA

## Stewardship and Oversight



- A higher level of accountability and increased attention by GAO and IG is expected.
- **FHWA has developed a Recovery Act Risk Management Plan...**
- FHWA will use a variety of techniques to conduct in-process examination of areas identified as high risk.
- Financial management and State oversight of local projects will be areas of particular attention.





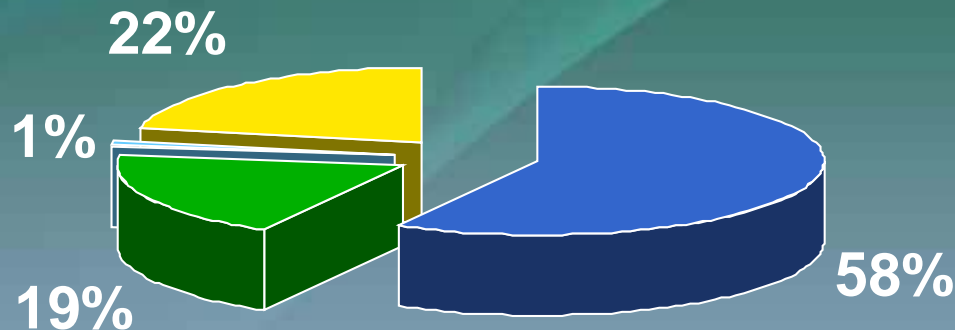
# Next Steps...



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# One State's Approach



- Pavement Preservation
- Bridge Rehabilitation/Replacement
- 3 ITS Integration Projects
- 3 Capacity Projects





# General Approaches ...



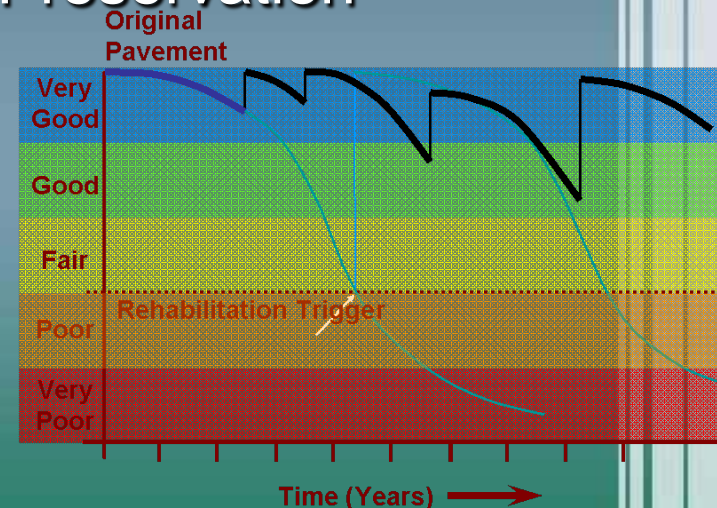
- Step-back and review projects in the "pipeline" to ask **"what are the project goals?"**
- What should be changed or added **(innovations)** to meet those goals **without** jeopardizing the let dates?



# General Approaches...



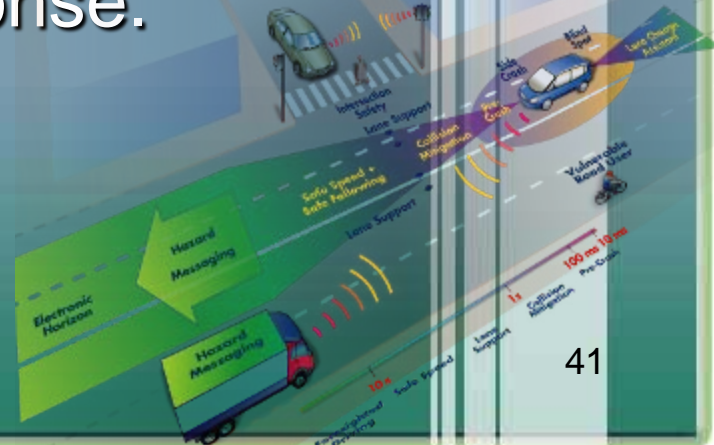
- Consider **meaningful preservation** projects that can be put together and bid quickly.
  - FHWA Office of Asset Management
    - <http://www.fhwa.dot.gov/infrastructure/asstmgmt/index.htm>
  - Foundation for Pavement Preservation
    - <http://fp2.org/>



# General Approaches...



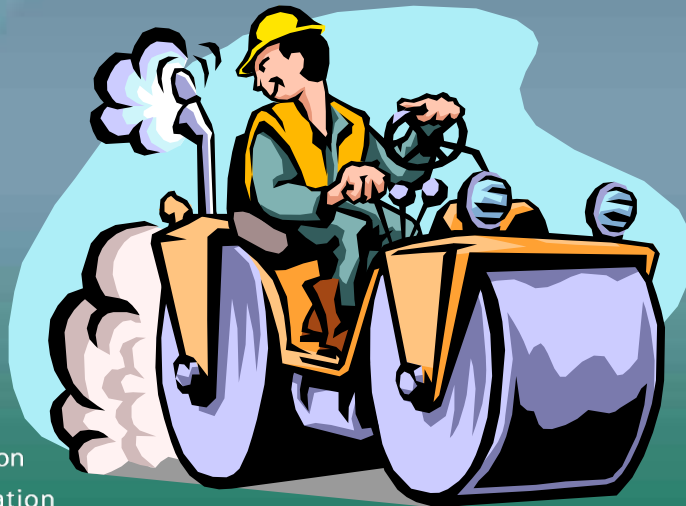
- **Group projects** in geographical areas and bid as one contract.
- Look at **"building-out" integrated ITS** infrastructure that can increase traffic throughput capacity and emergency response.



# General Approaches...



- Need to **address QC/QA requirements** with the expanded program.
- Make sure we get quality work done.





# General Approaches...



- Many of the construction/consultant jobs will require skill levels.
- Need to **address personnel** training/certification efforts.



# *Federal Highway Administration*



## *Risk Management Plan*



### Federal Highway Administration Risk Management Plan

American Recovery and Reinvestment Act of 2009  
(Recovery Act)

April 10, 2009



FHWA Risk Management Plan  
American Recovery and Reinvestment Act



U.S. Department of Transportation  
Federal Highway Administration

# FHWA Key Risk Areas



- **Local Public Agency (LPA) Oversight**
- **PS&E Quality**
- **Contract Administration**
- **Quality Assurance**
- **DBE Program**
- **Eligibility/Improper Payments**
- **Achievement of Program Goals**
- **Indian Reservation Roads Program**



# Division Office Oversight



- **Division Office Risk Mitigation Plans**
  - Communication and outreach
  - A program of visible monitoring
  - Emphasis on financial oversight
- **FHWA oversight will include “State Administered” projects**
- **Not Business as Usual**





# National Oversight



- **Establishment of National Review Teams (NRT) for carrying out independent monitoring in States.**
- **Seeking highly experienced and qualified staff.**
- **Internal applications currently being reviewed. Retirees being considered.**
- **Teams will be established by June 1<sup>st</sup>.**





# National Oversight



- **Reviews will focus on key risk areas including:**
  - PSE QUALITY
  - CONTRACT ADMINISTRATION
  - QUALITY ASSURANCE (Construction & Materials)
  - ELIGIBILITY/IMPROPER PAYMENTS
  - DBE PROGRAM
  - LOCAL PROJECTS
- **Review frequency and location to be governed by risk, program size, presence, and ongoing review results.**

# NRT Guides/Checklists



- **Seeking consistency with regard to the monitoring**
- **NRT Guides developed in the key risk areas**
- **Many Divisions developing review checklists...PMI Team gathering these and will identify “best in breed” and post checklists for use by all Divisions**





# Key...



- Need early and **continuous communication** with the construction industry (contractors, fabricators, producers) to get their input on how to make this work best and to identify where are the "hurdles" that need to be overcome.

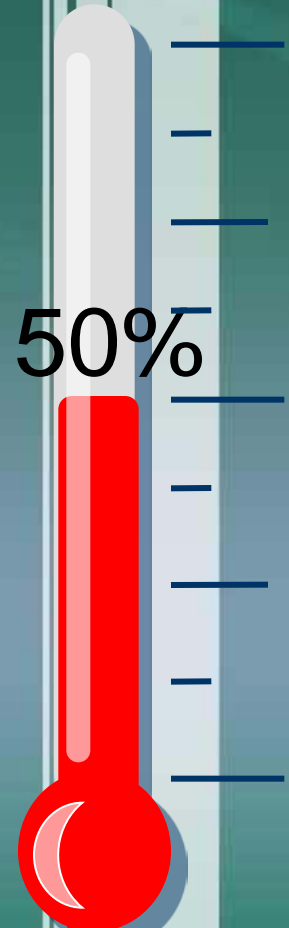


# 120 day GOAL



- Full (120 days)
- On schedule and under budget.

“... This government effort is coming in ahead of schedule and under budget.”



# FOUR Questions



1. What are the goals of the Recovery Act?
2. What will happen to our construction program over the next 18 months?
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# For More Information



<http://www.fhwa.dot.gov/economicrecovery>

- Summary of Highway Provisions
- Funding Distribution Tables
- FAQs
- Best Practices







# Questions...

<http://www.fhwa.dot.gov/economicrecovery>



Thank  
You...  
Cheese!



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