



**U.S. Department of  
Transportation**  
Office of the Secretary  
Of Transportation

1200 New Jersey Ave., S.E.  
Washington, DC 20590

February 27, 2009

**MEMORANDUM TO:** Administrative Management Council  
Chief Financial Officers Council  
Chiefs of the Contracting Office (COCOs)

**FROM:** Joanie F. Newhart, CPCM *Joanie F. Newhart*  
Senior Procurement Executive

**SUBJECT:** Reporting Requirements Relative to the American  
Recovery and Reinvestment Act of 2009

1. As you all know, we have embarked on an unprecedented project at the U.S. Department of Transportation (DOT) with the passage of the American Recovery and Reinvestment Act (ARRA or "Recovery Act"). DOT has set up a senior-level Transportation Investment Generating Economic Recovery (TIGER) Team comprising cross-functional and cross-modal representatives to lead the Department's efforts in accomplishing ARRA requirements. The Administration is committed to investing ARRA dollars with an unparalleled level of transparency and accountability so Americans know how their tax dollars are being spent.
2. Under the leadership of the TIGER Team, several other stewardship subcommittees have been formed to manage this effort, among them, the Accountability, Financial Management, Data Collection, Financial Assistance, Communication and Jobs Measurement Working Groups. The Office of the Senior Procurement Executive (OSPE) leads the Financial Assistance group on which many of you are members; and participates on the TIGER Team, the Data Collection Group and the Accountability Group.
3. This memorandum provides initial guidance to you on your efforts in awarding ARRA financial assistance and acquisition instruments, and updates you on efforts being undertaken by OSPE to assist you.
4. Initial implementing guidance was issued by the Office of Management and Budget (OMB) on February 18, 2009 and is available at [http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-10.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-10.pdf). By now you should be thoroughly familiar with this guide and its requirements; in particular, pages 5 and 6 that detail requirements specific to contracts and financial agreements, Section 5 on pages 32 through 37 that details requirements specific to grants and cooperative agreements, and Section 6 on pages

38 through 48 that details requirements specific to contracts. Additional guidance from OMB is expected that will provide further details on ARRA requirements.

5. DOT-specific information regarding these requirements is as follows:

- Special Contracting Considerations: Per Sec. 1554 of the ARRA, “To the maximum extent possible, contracts funded under this Act shall be awarded as fixed-price contracts through the use of competitive procedures.” This comports with existing guidance in 49 CFR §18.36, DOT’s common grants rule, which requires all procurement transactions to be conducted in a manner providing full and open competition and also strongly encourages the use of fixed price contracts. The ARRA requires that a summary of any contract that is not fixed-price and not competitively awarded be posted on the recovery.gov website. To further emphasize this requirement, each Operating Administration (OA) shall insert a clause into its ARRA grant terms and conditions section that is substantially the same as follows:
 

**Competition and Fixed-Price Contracts**  
**To the maximum extent practicable, the grantee shall ensure fixed-price contracts are awarded as a result of this grant and shall ensure they are awarded through the use of competitive procedures.**
- Small Business Contracting: Because small businesses are critical in stimulating economic growth and creating jobs, we must ensure maximum opportunity for them to compete in contracts resulting from the ARRA, including third-party contracts (those resulting from grant instruments). To emphasize this requirement, each OA shall insert a clause into its ARRA grant terms and conditions section that is substantially the same as follows:
 

**Small Business Contracts**  
**The grantee shall ensure that it provides maximum practicable opportunities for small businesses to compete for contracts resulting from this grant.**
- Proactive Approach to Oversight and Risk Management: The OSPE is working closely with the Inspector General’s (IG’s) office and the General Accountability Office (GAO) to identify risks up front and be proactive in preventing fraud, waste and abuse. The Acquisition and Procurement Division of DOT’s IG office attended the Financial Assistance Stewardship Working Group kickoff meeting on February 25 and shared potential risks and workarounds with the group. We will keep working with the IG and GAO to effectively address up front concerns and issues.
- Reporting Requirements:
  - All funds from the Recovery Act are to be distinguishable from non-Recovery Act funds. OCFO has obtained unique Treasury Account Symbols (TAS) to satisfy this requirement. Should you have questions on this, please discuss with your budget office.
  - The reporting for financial assistance instruments utilizing ARRA funds will be done utilizing the existing GIS and data also required by the Federal Funding

Accountability and Transparency Act (FFATA). Additional information required will be pulled from other DOT systems in accordance with guidance from the Office of the Chief Financial Officer (OCFO), to be provided at a later date. Information on contract instruments will be reported using the Federal Procurement Data System-Next Generation (FPDS-NG), as is currently done. DOT purchase cardholders will record any ARRA transactions utilizing US Bank's on-line access system. The cardholders shall provide a description of what is being procured in the block titled "Recovery Act Spending." This block will be available in approximately one week.

- Reporting shall be provided for **all** ARRA funds. In this reporting, you are allowed to aggregate transactions under \$25,000.
- OAs shall modify each funding and obligating document for contracts as follows:
  - All requisitions received in a contracting office must indicate in the description field either "Non-Recovery" or the Recovery Act TAS formatted as "TAS::XX XXXX XXX::TAS," which is consistent with OMB guidelines.
  - All obligating documents must indicate in the description field either "Non-Recovery" or the TAS formatted as "TAS::XX XXXX XXX::TAS," which is consistent with OMB guidelines.

It is recommended that your instance of PRISM be configured as follows: Set up a new required custom Account field to incorporate the new identification requirements listed in the sub-bullets directly above this paragraph. Then, configure this field to provide for the description and required selection list ("TAS::XX XXXX XXX::TAS" or "Non-Recovery") to be visible and apply to all documents. **NOTE:** This field will not pull directly to FPDS-NG; therefore, the user will still have to type it in the description field of the FPDS-NG report; however, this field is helpful as a searchable field in PRISM.

- DOT Helpdesk: The OSPE will be establishing an e-mail for grantees to ask questions regarding the ARRA. We are working with OCIO on placement of this new feature within the DOT Recovery Act web section. We will add a section on Frequently Asked Questions to the sight within the first month.
- Grants Terms and Conditions: Utilize your existing terms and conditions---if you find there is any conflict with the Recovery Act, reconcile your terms and conditions accordingly. Also, ensure that the flow down of terms and conditions is consistent with the requirements of 2 CFR 215.5 and OMB Circular A-102.
- Compilation of Acquisition/Financial Management Issues: DOT has developed a Sharepoint site in order to effectively collaborate to accomplish ARRA requirements. Members of the TIGER Team and its Working Groups will be compiling acquisition/financial management issues in the Program Implementation Issues section, by OA, in order to share issues encountered and their resolution.

6. Should you have questions relating to financial assistance or acquisitions under ARRA, please do not hesitate to contact me at (202) 366-5613. My staff and I are here to assist you in this historic effort and will be glad to assist you however we can. Additional guidance will be forthcoming as we receive it.