

# Inspector General

United States  
Department of Defense



American Recovery and Reinvestment Act Projects—  
Fort Drum, New York

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### **Acronyms and Abbreviations**

CDC	Child Development Center
CEFMS	Corps of Engineers Financial Management System
ECIP	Energy Conservation Investment Program
FAR	Federal Acquisition Regulation
FBO	Federal Business Opportunities
FPDS	Federal Procurement Data System
MATOC	Multiple-Award Task Order Contract
MILCON	Military Construction Program
OMB	Office of Management and Budget
USACE	U.S. Army Corps of Engineers



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-4704

June 21, 2010

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/  
CHIEF FINANCIAL OFFICER  
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: American Recovery and Reinvestment Act Projects—Fort Drum, New York  
(Memorandum No. D-2010-RAM-011)

This memorandum provides observations from our audit of selected American Recovery and Reinvestment Act projects at Fort Drum. We will continue to review DOD's progress and issue subsequent reports and memoranda that will discuss our evaluation of DOD's implementation of the American Recovery and Reinvestment Act. We are making no recommendations and do not require a written response. Therefore, we are publishing this memorandum in final form.

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-8900 (DSN 664-8900).

A handwritten signature in blue ink, reading "Richard B. Jolliffe", is positioned above the typed name.

Richard B. Jolliffe  
Assistant Inspector General  
Acquisition and Contract Management

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## Results in Brief: American Recovery and Reinvestment Act Projects—Fort Drum, New York

### What We Did

Our overall objective was to determine whether DOD appropriately planned and implemented Recovery Act projects. Specifically, we reviewed the planning, funding, contracting, and initial execution of two Recovery Act projects at Fort Drum to determine whether efforts of the Military Services and Defense agencies complied with Recovery Act requirements, Office of Management and Budget guidance, the Federal Acquisition Regulation, and DOD implementing guidance.

We reviewed:

- a \$10.7 million Recovery Act-funded Military Construction project to design and construct a child development center, and
- a \$1.6 million Energy Conservation Investment Program project to rehabilitate and install solar walls in Fort Drum maintenance shops.

### What We Found

The Army's internal controls over the planning, funding, contracting, and initial execution of Recovery Act projects at Fort Drum were effective as they applied to the audit objectives. Fort Drum and U.S. Army Corps of Engineers personnel properly justified and adequately planned, funded, contracted for, and began execution of Recovery Act projects for constructing a child development center and rehabilitating and installing solar walls in maintenance shops. Additionally, Fort Drum and U.S. Army Corps of Engineers personnel properly reported the task order solicitations and awards, and the contracts contained the clauses that the Federal Acquisition Regulation requires

for contract actions funded through the Recovery Act.

### What We Recommend

This report contains no recommendations.

**Figure 1. Artist's Rendering of Proposed Fort Drum Child Development Center**



Source: U.S. Army Corps of Engineers

**Figure 2. Solar Walls Installed on a Maintenance Shop at Fort Drum**



Source: IEA Energy Conservation in Buildings and Community Systems Case Study

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# Introduction

## Objective

The primary objective of the audit was to determine whether DOD and its Components were planning and implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act) by meeting the requirements in the Recovery Act, Office of Management and Budget (OMB) Memorandum M-09-10, “Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009,” February 18, 2009, and subsequent related guidance. For this audit, we reviewed the planning, funding, contracting, and initial execution of Recovery Act projects at Fort Drum to determine whether the efforts of the Military Services and Defense agencies complied with Recovery Act requirements, OMB guidance, the Federal Acquisition Regulation (FAR), and DOD implementing guidance. See Appendix A for a discussion of our scope and methodology.

## Recovery Act Background

The President signed the Recovery Act into law on February 17, 2009. It is an unprecedented effort to jump-start the economy and create or save jobs.

The purposes of this Act include the following:

- (1) To preserve and create jobs and promote economic recovery.
- (2) To assist those most impacted by the recession.
- (3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
- (4) To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
- (5) To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases

... the heads of Federal departments and agencies shall manage and expend the funds made available in this Act so as to achieve the purposes specified . . . including commencing expenditures and activities as quickly as possible consistent with prudent management.

## Recovery Act Requirements

The Recovery Act and implementing OMB guidance require projects to be monitored and reviewed. We grouped these requirements into the following four phases: (1) planning, (2) funding, (3) execution, and (4) tracking and reporting. The Recovery Act requires that projects be properly planned to ensure the appropriate use of funds. Review of the funding phase is to ensure the funds were distributed in a prompt, fair, and reasonable manner. Review of the project execution phase is to ensure that contracts awarded with Recovery Act funds were transparent, competed, and contain specific FAR clauses; that Recovery Act funds were used for authorized purposes; and that instances of fraud, waste, error, and abuse were mitigated. Review of the execution phase also ensures that program goals were achieved, including specific program outcomes and improved results on broader economic indicators; that projects funded avoided unnecessary delays and

cost overruns; and that contractors or recipients of funds reported results. Review of the tracking and reporting phase ensures that the recipients' use of funds was transparent to the public and that benefits of the funds were clearly, accurately, and timely reported.

## **Recovery Act Contracting Requirements**

The Recovery Act establishes transparency and accountability requirements. Federal Acquisition Circular 2005-32, March 31, 2009, provides policies and procedures for the Government-wide implementation of the Recovery Act and guidance on special contract provisions. Federal Acquisition Circular 2005-32 amended the FAR and provided interim rules that made FAR solicitation provisions and contract clauses immediately available for inclusion in contracts for Recovery Act work.

The specific FAR Recovery Act requirements were for:

- buying American construction material,
- protecting contractor whistleblowers,
- publicizing contract actions,
- reporting, and
- giving the Government Accountability Office and agency Inspectors General access to contracting records.

Federal Government organizations meet requirements for Recovery Act contract actions by posting information on the Federal Business Opportunities (FBO) and Federal Procurement Data System (FPDS) Web sites. FAR Subpart 5.7, "Publicizing Requirements under the American Recovery and Reinvestment Act of 2009," directed contracting officers to use the Government-wide FBO Web site (<http://www.fedbizopps.gov>) to:

- identify actions as funded by the Recovery Act,
- post pre-award notices for orders exceeding \$25,000,
- describe supplies in a clear narrative to the general public, and
- provide the rationale for awarding any contracting actions that were not both fixed-price and competitive.

FBO is the Federal Government's central source of Federal procurement opportunities. FBO is a Web-based portal that allows agency officials to post Federal procurement opportunities and contractors to search and review those opportunities. Agencies also post contract award notices on FBO. In addition, to provide transparency, FBO has a separate section identifying Recovery Act opportunities and awards.

FPDS is the Federal Government's central source of procurement information. Contracting officers enter information, to include the Treasury Account Symbol, in the FPDS for all Recovery Act contract actions. The Treasury Account Symbol enables FPDS to provide transparency by generating and posting a report containing all Recovery Act contract actions.

## OMB Recovery Act Guidance

Criteria for planning and implementing the Recovery Act continue to change as OMB issues additional guidance, and DOD and the Components issue their implementation guidance. OMB has issued 10 memoranda and 1 bulletin to address the implementation of the Recovery Act. See Appendix B for Recovery Act criteria and guidance.

## DOD Recovery Act Program Plans

Under the Recovery Act, Congress appropriated approximately \$12 billion to DOD for the following programs: Energy Conservation Investment; Facilities Sustainment, Restoration, and Modernization; Homeowners Assistance; Military Construction (MILCON); Near Term Energy-Efficient Technologies; and U.S. Army Corps of Engineers (USACE) Civil Works.

The values of the six Recovery Act programs are shown in the following table.

**DOD Agency-Wide and Program-Specific Recovery Act Programs**

<b>Program</b>	<b>Amount (in millions)</b>
Energy Conservation Investment	\$120
Facilities Sustainment, Restoration, and Modernization	4,260
Homeowners Assistance	555
Military Construction	2,185
Near Term Energy-Efficient Technologies	300
U.S. Army Corps of Engineers Civil Works	4,600
<b>Total</b>	<b>\$12,020</b>

The Recovery Act divides the approximately \$12 billion among 32 DOD and USACE line items of appropriations.

## Fort Drum Operations

Fort Drum is a garrison under the Northeast Region of the U.S. Army Installation Management Command with the mission of managing Army installations worldwide to:

- support readiness and the mission execution and transformation of an expeditionary force;
- enable the well-being of soldiers, civilians, and family members;
- improve Army infrastructure; and
- preserve the environment.

Fort Drum commands active-duty units assigned to the installation and provides administrative and logistical support to tenant units, training support to active and reserve units from all Services assigned to Fort Drum, and planning and support for the

mobilization and training of almost 80,000 troops annually. Fort Drum is also home to the 10<sup>th</sup> Mountain Division, whose mission is to be manned and trained for rapid deployment worldwide.

### ***Fort Drum United States Army Corps of Engineers Office***

The USACE New York District supported the Fort Drum Garrison by providing contracting and project management services. These services included awarding contracts for Recovery Act-funded projects and assigning project managers to oversee the contracted work.

### ***Fort Drum Recovery Act Projects***

Fort Drum had a total of 64 Recovery Act-funded projects, with a total estimated value of \$87.3 million. We selected two projects valued at \$12.3 million for review. The two projects included constructing a child development center (CDC) (\$10.7 million) and rehabilitating and installing solar walls in maintenance shops (\$1.6 million).

### **Review of Internal Controls**

Army's internal controls over the planning, funding, contracting, and initial execution of Recovery Act projects at Fort Drum were effective as they applied to the audit objectives.

# Results of Review of Fort Drum Recovery Act Projects

USACE New York District and the Fort Drum Department of Public Works properly justified, planned, funded, and began execution of Recovery Act-funded projects for MILCON of a CDC (the MILCON project) and an Energy Conservation Investment Program (ECIP) project for rehabilitating and installing solar walls in maintenance shops (the ECIP project). In addition, Army personnel properly awarded two fixed-price task orders to pre-existing contracts for the MILCON and ECIP projects. The task order solicitations were properly reported, and the contracts contained the clauses the FAR requires for contract actions funded through the Recovery Act.

## MILCON and ECIP Planning

We reviewed DD Form 1391, “Military Construction Project Data,” and supporting documentation including economic analysis and analysis of alternatives for each project. DOD Regulation 7000.14-R, “DOD Financial Management Regulation,” volume 2B, chapter 6, requires DOD Components to use DD Form 1391 when requesting authorization of both new construction and urgent unforeseen projects using emergency or contingency authorization. Two specific sections of DD Form 1391 detail the requirements for proposed projects and how the proposed projects would benefit the mission. Specifically, Item 10, “Description of Proposed Construction,” requires clear and concise descriptions of the proposed construction, including a complete outline of all principal features of the work. Item 11, “Requirement,” provides a detailed, informative statement of why the projects are needed, how and under what conditions the requirements are presently being met, and the manner and extent to which mission accomplishment would be affected if the projects were not approved.

## MILCON Project

The DD Form 1391 for the MILCON project included an economic analysis by the Fort Drum Public Works Department.<sup>1</sup> The economic analysis explained the project objective as providing CDC services for 126 children from 6 weeks to 5 years of age. The economic analysis showed that the MILCON project met the project objective better than alternatives, including renovating existing facilities, leasing other facilities, or doing a combination of renovation and new construction. In addition to the economic analysis,

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<sup>1</sup> The DOD Office of Inspector General is also performing Project No. D2009-D000AE-0268.000, “Recovery Act-Funded Military Construction of Army Child Development Centers,” to assess the Army’s overall planning of Recovery Act-funded MILCON of CDCs. In performing this project, we are considering factors beyond individual DD Form 1391 justifications, including whether the Army most equitably apportioned Recovery Act-funded child care capacity to base locations where the need was greatest. Our analysis uses Army data projections through FY 2015 to compare childcare needs of Fort Drum to the needs of six other Army installations receiving Recovery Act Funding to build a CDC. These installations include Fort Bragg, North Carolina; Hunter Army Airfield, Georgia; Fort Hood, Texas; Fort Belvoir, Virginia; Fort Carson, Colorado; and Fort Eustis, Virginia. Army officials stated to us that making size adjustments to the seven awarded CDC contracts would lead to delays in project execution and increased project costs, including incurring penalties to cancel the existing contracts.

the DD Form 1391 met Unified Facilities Criteria for planning heating, ventilation, and air-conditioning; telecommunications; fire protection; antiterrorism; and multiple design features.<sup>2</sup>

### ***ECIP Project***

We reviewed DD Form 1391 for the ECIP project, which included rehabilitation and installation of solar walls in maintenance shops. Our review showed that Fort Drum personnel had included a life-cycle cost analysis in the project planning, which evaluated the cost savings associated with the project and determined that the project offered a savings to investment ratio of 2.28:1. The DD Form 1391 noted that the project was necessary to reduce energy waste and improve the working environment for Fort Drum employees. Further, the DD Form 1391 stated that four of the five buildings included in the project were underinsulated and some had inadequate heating systems. With the assistance of an engineer from the Technical Assessment Directorate of the DOD Office of Inspector General, the audit team used visual inspection to verify that three of the five buildings were underinsulated and in need of repair. The audit team also noted that one of the buildings had a roof that leaked badly and windows and doors that lacked insulation.

In planning for installing the solar walls on four of the five buildings, Fort Drum Public Works personnel used a study from the contractor showing that the estimated savings associated with the solar wall systems on the four buildings included on this project was expected to be 1,471.7 million British Thermal Units per year, which corresponds to \$16,406 in savings per year.

### **Fort Drum MILCON and ECIP Recovery Act Funding**

For the selected MILCON and ECIP projects, we verified that Recovery Act funding was properly transferred to the projects, and USACE properly cited Recovery Act appropriation numbers. Our evaluation of project funding included reviewing reporting data from the Corps of Engineers Financial Management System (CEFMS).

### ***MILCON Project***

CEFMS documentation showed that the USACE New York District properly transferred Recovery Act funding for the MILCON CDC project on September 25, 2009. The Army initially estimated the project at \$10.7 million in the DoD Military Construction Program Plan, May 15, 2009. Subsequently, in September 2009, the Army awarded the project task order for \$6.4 million, \$4.3 million less than the original Army estimate. In October 2009, USACE reserved \$7.0 million for CDC construction costs, \$3.7 million less than the original estimate. The \$3.7 to \$4.3 million difference from the original Army estimate represents potential bid savings. Under provisions of the DOD Comptroller memorandum, "Project Cost Variations During Execution of American Recovery and

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<sup>2</sup> Under Secretary of Defense for Acquisition, Technology, and Logistics memorandum, "Department of Defense Unified Facilities Criteria," May 29, 2002, requires the Military Departments to use Unified Facilities Criteria for planning, design, construction, sustainment, restoration, and modernization of facilities, regardless of funding source.

Reinvestment Act Expenditure Plans for Infrastructure Investments,” May 7, 2009, the Army can use the actual bid savings (after project completion) to offset cost growth on other Recovery Act-funded construction of CDCs. The Army could also combine the bid savings on this project with bid savings on other CDC projects and nominate a project for constructing an additional CDC. Because the Recovery Act provided the Army with \$80 million specifically for the construction of CDCs, the Army cannot use bid savings on the construction of CDCs to supplement or nominate other types of Recovery Act-funded projects.

### ***ECIP Project***

CEFMS documentation showed that officials at USACE Headquarters properly transferred Recovery Act funding for the project to the USACE New England division and then to the project. The appropriation symbol of “0501,” representing Recovery Act MILCON, Defense-wide funding, was correctly included on the documentation reviewed for the project. The Army initially estimated the project at \$1.6 million in the DOD Energy Conservation Investment Program Plan, May 15, 2009. USACE initially reserved \$1.5 million for the project. Subsequently, in September 2009, the Army awarded the task order for slightly less, \$1.4 million. As provided in the DOD Comptroller memorandum, the Army can use the bid savings on this project to fund other Recovery Act projects at Fort Drum.

## **MILCON and ECIP Initial Project Execution**

The USACE New York District and the Fort Drum Department of Public Works adequately performed initial project execution of the MILCON and ECIP projects. Initial project execution included reviewing whether contracts were competitively solicited and awarded, with full transparency, and contained FAR-required clauses for Recovery Act contract actions.

### ***Competitive and Transparent Contract Solicitation and Award***

We found that USACE New York District competitively awarded the task order and properly reported the contracting process for the MILCON project. We also found that USACE New York District properly reported the contracting process for the ECIP project, while awarding the task order against a contract the Fort Drum contracting office had previously awarded.

### **MILCON Project**

The USACE New York District competed the MILCON project among small business contractors and received 11 bids. On September 25, 2009, the USACE contracting office awarded the winning bidder the fixed-price task order number 0003 for \$6.4 million on multiple-award task order contract (MATOC) W912DS-09-D-0004. On September 25, 2009, contracting personnel posted the award on the FBO Web site.

Although the original presolicitation notice for the task order did not identify the project as a Recovery Act action, on August 19, 2009, USACE issued a special notice on the

FBO Web site to the presolicitation that identified the project as a Recovery Act action and clearly explained the nature of the work for the MILCON project. Additionally, USACE posted on the FBO Web site the task order and award notice for this MILCON project, which identified it as a Recovery Act action. Further, the MATOC contained all relevant Recovery Act-specific FAR clauses.

### **ECIP Project**

The USACE New York District executed the ECIP project as task order CE01 for \$1.4 million on contract number W911S2-08-D-8002 that the Fort Drum contracting office had previously awarded. The contracting office awarded the original contract in April 2008 and solicited offers through a negotiated bid effort. The contract was issued as a 1-year contract with four additional 1-year option periods, with a minimum value of \$200,000 and a maximum value of \$75 million.

To ensure the transparency of the transactions related to the ECIP project, the USACE New York District posted a notice for informational purposes only to the FBO Web site before awarding the task order. The notice specified that USACE would use Recovery Act funds for the task order. After contract award, USACE New York District issued a notification on the FBO Web site explaining how USACE officials accomplished the contract action.

### ***Required Federal Acquisition Regulation Clauses***

For the selected MILCON and ECIP projects, we determined that the USACE New York District properly included the required FAR clauses in modifications to the contracts under which these projects are being executed.

### **MILCON Project**

The MATOC containing the MILCON project task order included FAR-mandated contract clauses for actions funded through the Recovery Act. Specifically, the MATOC contains FAR 52.203-15, “Whistleblower Protection Under the American Recovery and Reinvestment Act of 2009”; FAR 52.204-11 and FAR 52.204-11(d), “Recovery Act Reporting Requirements”; and FAR 52.215-2, “Audits and Records – Negotiation.”

### **ECIP Project**

The contractor was performing the ECIP project under a contract the Army created before the President signed the Recovery Act into law. However, the contracting officer created a modification to the contract to add the required FAR clauses for the Recovery Act. The modification contained all of the same required FAR clauses as the one for the MILCON project. Additionally, the modification contained FAR 52.244-6, “Sub-contracts for Commercial Items,” for subcontracts on this task order.

### **Tracking and Reporting**

For the selected MILCON and ECIP projects, we determined that the USACE New York District and the Fort Drum Department of Public Works complied with Recovery Act tracking and reporting requirements. OMB Memorandum M-10-08, “Updated Guidance

on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Recipients, and Reporting of Job Estimates,” December 18, 2009, established quarterly reporting requirements for recipients of Recovery Act funding and assigned responsibilities to Federal agencies to review the reports. Additionally, “FRAGO # 25 to Operations Order 2009-11 (USACE Execution of the American Recovery & Reinvestment Act 2009) (Recipient Reporting),” December 2009, requires that USACE Headquarters officials identify contractors receiving Recovery Act funding that have not complied with requirements for submitting quarterly contract information through [www.FederalReporting.gov](http://www.FederalReporting.gov). Required contract information includes amounts obligated, amounts invoiced, number of people employed on the contract, and amount subcontracted.

### ***MILCON Project***

Personnel from the USACE New York District and the office of the Assistant Chief of Staff for Installation Management properly tracked and reported on the MILCON project. Specifically, the Assistant Chief of Staff helps garrisons assess their ability to meet projected child care demand caused by future population changes and tracks the impact of Future Years Defense Program construction. The contractor for this project also followed applicable Recovery Act guidelines and reported the project information on [www.Recovery.gov](http://www.Recovery.gov) with details about the project.

### ***ECIP Project***

USACE New York District officials properly tracked and reported on the ECIP project. The contractor for the project also followed applicable Recovery Act guidelines and reported the project on [www.Recovery.gov](http://www.Recovery.gov) with details including the project scope of work.

## **Cost and Schedule Status of Selected Projects**

During the time of our review, USACE had not begun construction on task order 0003 on contract number W912DS-09-D-0004 for the MILCON project. Therefore, no cost or schedule data was available for our review. For the ECIP project, task order CE01 on contract number W911S2-08-D-8002 was issued September 25, 2009, and no information on cost overruns or schedule delays was available at the time of our review.

# Appendix A. Scope and Methodology

We conducted this audit from August 2009 through June 2010 in accordance with generally accepted government auditing standards. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

## Scope

We selected two Recovery Act projects at Fort Drum with a total estimated cost of \$12.3 million. These projects included a MILCON project for a CDC estimated at \$10.7 million and an ECIP project, involving the rehabilitation of maintenance shops and installation of solar walls, estimated at \$1.6 million. Our review included interviewing Army personnel at the Fort Drum Department of Public Works and USACE New York District. We also reviewed requirements, contracting, financial documentation, and policies dated from May 2002 through March 2010.

## Methodology

Our overall audit objective was to evaluate DOD's implementation of plans for the Recovery Act of 2009. To accomplish our objective, we audited the planning, funding, project execution, and tracking and reporting of Recovery Act projects to determine whether efforts of the Military Services and Defense agencies complied with Recovery Act requirements, OMB's guidance, the FAR, and DOD implementing guidance. Specifically, we determined whether:

- the selected projects were adequately planned to ensure the appropriate use of Recovery Act funds (Planning);
- funds were awarded and distributed in a prompt, fair, and reasonable manner (Funding);
- contracts contained Recovery Act FAR clauses (Project Execution); and
- recipients' use of funds was transparent to the public and the benefits of the funds were clearly, accurately, and timely reported (Reporting).

Before selecting DOD Recovery Act projects for audit, the Quantitative Methods and Analysis Division of the DOD Office of Inspector General analyzed all DOD agency-funded projects, locations, and contracting oversight organizations to assess the risk of waste, fraud, and abuse associated with each. We selected most audit projects and locations using a modified Delphi technique, which allowed us to quantify the risk based on expert auditor judgment, and other quantitatively developed risk indicators. We used information collected from all projects to update and improve the risk assessment model. We selected 83 projects with the highest risk rankings; auditors chose some additional projects at the selected locations.

We did not use classical statistical sampling techniques that would permit generalizing results to the total population because there were too many potential variables with unknown parameters at the beginning of this analysis. The predictive analytic techniques employed provided a basis for logical coverage not only of Recovery Act dollars being expended, but also of types of projects and types of locations across the Military Services, Defense agencies, State National Guard units, and public works projects managed by USACE.

## **Use of Computer-Processed Data**

We relied on computer-processed data from the FBO Web site (<http://www.fedbizopps.gov>) and CEFMS in meeting our audit objectives. Specifically, we relied on the FBO Web site to determine whether the Army had met the requirements for transparently reporting Recovery Act-funded contract actions. We relied on CEFMS for determining whether USACE had properly transferred Recovery Act funding to approved projects. We tested the accuracy of the computer-processed data by obtaining copies of contract documentation. We also interviewed program officials responsible for reporting on Recovery Act contract actions and for managing Recovery Act funding. No problems with data integrity came to our attention in the course of the audit.

## **Use of Technical Assistance**

An engineer from the Technical Assessment Directorate, DOD Office of Inspector General, assisted in the audit. The engineer supported the team in evaluating the need for the MILCON and rehabilitation projects selected for review.

## **Prior Audit Coverage**

The Government Accountability Office, the Department of Defense Inspector General, and the Military Departments have issued reports and memoranda discussing DOD projects funded by the Recovery Act. You can access unrestricted reports at <http://www.recovery.gov/accountability/>.

## Appendix B. Recovery Act Criteria and Guidance

The following list includes the primary Recovery Act criteria documents (notes appear at the end of the list):

- U.S. House of Representatives Conference Committee Report 111-16, “Making Supplemental Appropriations for Job Preservation and Creation, Infrastructure Investment, Energy Efficiency and Science, Assistance to the Unemployed, and State and Local Fiscal Stabilization, for the Fiscal Year Ending September 30, 2009, and for Other Purposes,” February 12, 2009
- Public Law 111-5, “American Recovery and Reinvestment Act of 2009,” February 17, 2009
- OMB Memorandum M-09-10, “Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009,” February 18, 2009
- OMB Bulletin No. 09-02, “Budget Execution of the American Recovery and Reinvestment Act of 2009 Appropriations,” February 25, 2009
- White House Memorandum, “Government Contracting,” March 4, 2009
- White House Memorandum, “Ensuring Responsible Spending of Recovery Act Funds,” March 20, 2009
- OMB Memorandum M-09-15, “Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009,” April 3, 2009<sup>1</sup>
- OMB Memorandum M-09-16, “Interim Guidance Regarding Communications With Registered Lobbyists About Recovery Act Funds,” April 7, 2009
- OMB Memorandum M-09-19, “Guidance on Data Submission under the Federal Funding Accountability and Transparency Act (FFATA),” June 1, 2009
- OMB Memorandum M-09-21, “Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009,” June 22, 2009<sup>2</sup>
- OMB Memorandum M-09-24, “Updated Guidance Regarding Communications with Registered Lobbyists About Recovery Act Funds,” July 24, 2009
- OMB Memorandum M-09-30, “Improving Recovery Act Recipient Reporting,” September 11, 2009

- OMB Office of Federal Procurement Policy, “Interim Guidance on Reviewing Contractor Reports on the Use of Recovery Act Funds in Accordance with FAR Clause 52.204-11,” September 30, 2009<sup>2</sup>
- OMB Memorandum M-10-08, “Updated Guidance on the American Recovery and Reinvestment Act – Data Quality, Non-Reporting Recipients, and Reporting of Job Estimates,” December 18, 2009<sup>2</sup>
- OMB Memorandum M-10-14, “Updated Guidance on the American Recovery and Reinvestment Act,” March 22, 2010<sup>2</sup>
- White House Memorandum, “Combating Noncompliance with Recovery Act Reporting Requirements,” April 6, 2010<sup>2</sup>
- OMB Memorandum M-10-17, “Holding Recipients Accountable for Reporting Compliance under the American Recovery and Reinvestment Act,” May 4, 2010

## Notes

<sup>1</sup> Document provides Government-wide guidance for carrying out programs and activities enacted in the American Recovery and Reinvestment Act of 2009. The guidance states that the President’s commitment is to ensure that public funds are expended responsibly and in a transparent manner to further job creation, economic recovery, and other purposes of the Recovery Act.

<sup>2</sup> Document provides Government-wide guidance for carrying out the reporting requirements included in section 1512 of the Recovery Act. The reports will be submitted by recipients beginning in October 2009 and will contain detailed information on the projects and activities funded by the Recovery Act.





# Inspector General Department of Defense

