

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

ENVIRONMENTAL PROTECTION AGENCY RECOVERY ACT PLAN: A STRONG ECONOMY AND A CLEAN ENVIRONMENT MAY 15, 2009

I. OVERVIEW

1. Introduction

The purpose of the American Recovery and Reinvestment Act (Recovery Act) of 2009 is to create and save jobs, jumpstart the U.S. economy, and perhaps most importantly, build the foundation for long-term economic growth. The Recovery Act targets projects that will modernize the nation's critical infrastructure, encourage America's energy independence, expand educational opportunities, increase access to health care, provide tax relief, and protect those in greatest need.

The Recovery Act provides \$7.22 billion for specific programs administered by the Environmental Protection Agency (EPA). Program-Specific Recovery Act Plans accompany this document and represent the heart of EPA's contribution to the nation's economic stimulus. The six Program Plans are:

1. **Clean Water State Revolving Fund Recovery Act Plan:** Investing in construction of water quality protection and wastewater treatment infrastructure.
2. **Drinking Water State Revolving Fund Recovery Act Plan:** Ensuring clean drinking water.
3. **Brownfields Recovery Act Plan:** Cleaning up former industrial sites for new commercial or community use, and training and placing persons in environmental careers.
4. **Underground Storage Tank Recovery Act Plan:** Cleaning up petroleum leaks from underground storage tanks.
5. **Superfund Recovery Act Plan:** Cleaning up uncontrolled hazardous waste sites.
6. **Clean Diesel Recovery Act Plan:** Supporting the use, development, and commercialization of strategies to reduce diesel emissions.

Funding these programs will protect and increase "green" jobs, sustain communities, restore and preserve the economic viability of property, promote scientific advances and technological innovation, and ensure a safer, healthier environment. These programs were chosen carefully both for their ability to put people to work now and for their environmental value. Grants, interagency agreements, and contracts will be awarded quickly. Progress and results will be monitored in detail to ensure that American workers and taxpayers reap the economic and social benefits of these investments.

2. What will EPA Recovery Act Dollars Buy?

The programs targeted by EPA's portion of Recovery Act dollars address location-specific, community-based public health and environmental needs. Investing in these areas will assure

that job creation, economic growth, and environmental benefits accrue at the local level as well as nationwide.

Cleaner Water and Drinking Water Infrastructure (\$6 billion) – Many communities across the country are faced with critical water quality issues but lack the funding needed to fix the problems. In many locations, the aging network of pipes that convey drinking water and wastewater are leaking, and need repair or replacement. EPA will award \$4 billion to construct wastewater infrastructure and restore and protect surface and groundwater quality. Additionally, \$2 billion will be awarded to help states and local communities address drinking water needs such as water treatment and distribution systems. States will have the flexibility to target resources to their particular environmental needs by basing project priorities on public health and environmental factors, in addition to readiness to proceed to construction. Of the \$6 billion, \$1.2 billion of the funding will be targeted toward green infrastructure, water and energy efficiency, and environmentally innovative projects.

Revitalized Neighborhoods from Brownfields (\$100 million) – Brownfields are former industrial and commercial sites left abandoned and often contaminated by hazardous waste. Many are potentially valuable properties lying near the heart of commercial districts or beside scenic urban waterways. The goal of EPA's Brownfields Program is to revitalize and restore neighborhoods through environmental cleanup. The program has a proven history of attracting private investment, producing trained environmental technicians, creating jobs, and spurring local economic development. Through the Recovery Act, EPA will issue competitive grants to evaluate and clean up brownfields, which will in turn encourage redevelopment.

Cleaner Underground Storage Tank Sites (\$200 million) – EPA is responsible for cleaning up sites contaminated by leaking underground storage tank systems. Nearly all underground storage tank sites regulated by EPA contain petroleum. Most of these sites are found at service stations and convenience stores that sell gasoline to the public, while others are found at businesses and local governments that maintain their own fleets of vehicles. The greatest potential hazard from a leaking underground storage tank is that the petroleum or other hazardous substance can seep into the soil and contaminate groundwater, which is the source of drinking water for nearly half of Americans. Recovery Act funds will be used for overseeing the assessment and cleanup of leaks from underground storage tanks or directly paying for assessment and cleanup of leaks from federally regulated tanks where the responsible party is unknown, unwilling or unable to clean up the site, or the clean up is an emergency response. As a result of this investment, EPA will create jobs and improve neighborhoods by awarding grants to states and territories, and providing contractors to tribes.

Superfund Hazardous Waste Cleanup (\$600 million) – EPA's Superfund Program funds the cleanup of uncontrolled hazardous waste sites. Work includes assessment of site contamination and likely risks to human health and the environment, establishment of cleanup plans to protect surrounding communities and the environment from toxic waste, and implementation of cleanup plans, including safe removal of immediate threats and site remediation for long-term protection. The \$600 million in Recovery Act funding will facilitate further cleanup at Superfund National Priority List sites, maximize job creation and retention, and provide environmental and economic benefits. Superfund sites are often

located in the areas hardest hit by unemployment and downturns in the economy. Environmental justice issues will be considered at sites that suffer disproportionate environmental impact to ensure that activities conducted with Recovery Act funds are implemented in a manner that protects environmentally and economically distressed communities. To speed cleanup conducted through the Recovery Act, EPA will use the funds for sites on the Superfund National Priority List and use in-place, competitively awarded contracts, interagency agreements, and cooperative agreements for emergency response and cleanup activity.

Reduced Diesel Emissions (\$300 million) – Pollution from diesel-powered vehicles and non-road diesel engines contribute to serious public health problems in the United States. These problems include asthma, lung cancer, and various other cardiac and respiratory diseases. They result in thousands of premature deaths, millions of lost work days, and numerous other negative health and economic outcomes every year. More than 11 million diesel engines in operation today do not meet EPA’s new clean diesel standards, yet these engines can continue to operate for 20 to 30 years. Public health benefits are immediate when emissions control strategies are applied to older diesel engines. EPA will award \$300 million in grants for use of technologies that achieve significant reductions in diesel emissions, and that demonstrate the ability to maximize both job preservation and creation and public health benefits. Through development of these technologies, EPA will help maintain and create jobs in the manufacturing and service sectors across the country. The clean air impact of reducing diesel emissions will result in significant human health benefits as well as increased worker productivity with fewer work days lost.

How Will EPA Ensure Recovery Act Funds Are Spent Effectively?

Of the \$7.22 billion provided for EPA programs, approximately \$7.1 billion will be used for grants, interagency agreements, and contracts. \$81.5 million will be used to provide management and oversight to ensure Recovery Act dollars are spent efficiently, as authorized, and in accordance with the objectives of the Act. In addition, the Recovery Act provides EPA’s Office of Inspector General (OIG) with \$20 million for oversight and review to prevent waste, fraud, and abuse.

The Recovery Act requires stringent accountability for performance and results, as well as unprecedented transparency. EPA designated Craig Hooks, Acting Assistant Administrator of the Office of Administration and Resources Management, as Senior Accountable Official. The Senior Accountable Official has the responsibility and authority to lead and coordinate all Agency activities related to the Recovery Act. EPA’s Stimulus Steering Committee, comprised of senior level career executives from across the Agency, is monitoring Recovery Act planning and implementation on a weekly basis. EPA is working closely with states and tribal partners to get funds into the hands of recipients quickly and ensure it is spent wisely.

To ensure Recovery Act funds are managed and spent effectively, EPA has adopted and is implementing the following accountability objectives, as provided in the Implementing Guidance for the Recovery Act issued by the Office of Management and Budget on April 3:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;

- The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated;
- Projects funded under the Recovery Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

EPA Will Award Grants and Contracts in a Prompt, Fair, and Reasonable Manner –

The broadest intent of the American Recovery and Reinvestment Act is to invest in America’s long-term economic future, but to do so in a manner that achieves visible and meaningful short-term results. To meet that goal, EPA offices have adapted internal financial systems and management processes to expedite the flow of Recovery Act money to qualified grant recipients and contractors. For example, grants guidance includes model funding recommendations to reduce the time required for EPA project officers to prepare justifications for grants awarded under the Recovery Act. EPA contracts guidance established the preference for using existing competitive contracts for recovery-related cleanup work. All funding decisions will be guided by transparent, merit-based selection criteria. EPA program offices will give funding preference to recipients with a demonstrated or clear potential ability to produce desired programmatic results, and for projects that can be started and completed expeditiously, will stimulate economic growth, and will achieve long-term public benefits.

EPA Will Ensure Recipients and Uses of Recovery Act Funds Are Transparent to the Public – EPA will ensure that the recipients and uses of all funds are transparent to the public, and that the public benefits of these funds are reported clearly, accurately, and in a timely manner.

- EPA issued internal guidance outlining restrictions and reporting requirements regarding communication with registered lobbyists on particular Recovery Act projects, applications, or applicants, as required by the President’s memorandum of March 20, 2009, *Ensuring Responsible Spending of Recovery Act Funds*, which
- The Agency is committed to transparency in all announcements, information, reported activities, and data posted on EPA’s Recovery Act Web site, <http://www.epa.gov/recovery/> and through the government-wide Recovery Act Web site, <http://www.recovery.gov/>.
- The state-by-state distributions for clean water and drinking water provided through state revolving funds are available on EPA’s Recovery Act Web site, as are distributions to states and territories to clean up leaks from underground storage tanks. The Agency is moving designated funds to states as quickly as possible. Also on the Web site is the list of Superfund sites receiving Recovery Act funds, funding announcements to states to support clean diesel projects and programs, and announcement of EPA plans to award supplemental funding under the Recovery Act to eligible Brownfields revolving loan grantees. The Agency is posting synopses for competitive announcements on [grants.gov](http://www.epa.gov/grants.gov) and summaries of contracts and orders,

including required goods and services, on Recovery.gov. It is also posting award announcements for both grants and contracts on the Web.

- The Agency has defined reporting requirements for tracking internal progress and expenditures. These requirements will ensure that all funds provided through the Recovery Act are clearly distinguished from non-Recovery Act funds in all financial, business, and reporting systems.
- EPA places a high priority on the quality and accuracy of its data. The Agency will review all reporting related to Recovery Act funding to ensure it is complete, accurate, and complies with the requirements and intent of the legislation as well as EPA's Policy on Information Quality. This will further assure transparency and accountability.

EPA Will Ensure Funds are Used for Authorized Purposes – EPA is implementing a Recovery Act Stewardship Plan to ensure program and Recovery Act goals are achieved, including specific program outcomes as well as results on broader economic indicators. EPA has developed quantifiable outputs, performance measures, and reporting requirements to ensure that funds are spent as directed and achieve the economic and environmental goals authorized by the Recovery Act. These outputs and performance measures are included in EPA's Program-Specific Recovery Act Plans as well as in the terms and conditions of all agreements for grants and contracts funded by the Recovery Act. Where possible, EPA is using existing performance measures. This will reduce the reporting burden on grant recipients and contractors. It will also allow program managers and the public to see the increased environmental benefits made possible by the Recovery Act investments.

EPA Will Monitor Spending To Avoid Delays and Cost Overruns – A key aspect of EPA's Recovery Act Stewardship Plan is to ensure proper use and timely expenditure of Recovery Act funds. The Stewardship Plan provides a framework for management oversight in common risk areas such as assurance of qualified personnel, use of competitive awards, timely awards, allowable costs, proper payments, timely expenditures, and timely completion of work. EPA will track progress against these measures and report on risks, corrective actions, and status of risk mitigation to the Agency's Stimulus Steering Committee. In addition, EPA will conduct audits and investigations of randomly selected recipients of Recovery Act funds which will further prevent wasteful spending and minimize waste, fraud, and abuse.

EPA Will Report on Environmental and Economic Results Achieved – EPA will report on environmental results, "green" results, and economic results achieved through the Recovery Act and will make those results readily accessible to the public through its Recovery Act Web site at: <http://www.epa.gov/recovery/>. Examples of expected outcomes are:

1. Economic Stimulus Results

As stated in the President's memorandum of March 20, 2009, *Ensuring Responsible Spending of Recovery Act Funds*, the Recovery Act is "an investment package designed to provide a necessary boost to our economy in these difficult times and to create jobs, restore

economic growth, and strengthen America's middle class.” To ensure that Recovery Act funds awarded by EPA contribute to the nation’s economic recovery, the Agency will implement OMB guidance on collecting recipient estimates of jobs created and retained. EPA is working with the White House Council of Economic Advisors (CEA) and OMB to ensure efforts undertaken to produce Agency estimates of the job impacts of ARRA funds are scientifically credible, and the reported results are presented in a clear and transparent manner.

The main focus of the Agency is on the actual reporting of jobs created and retained by recipients of ARRA funds. The Agency plans on providing supplemental guidance to the information provided by OMB to address questions concerning the definition and estimation of direct jobs created and jobs retained. The Agency guidance will seek to help recipients report this information in a consistent manner as well as limit potential confusion that might arise when recipients attempt to distinguish between created and retained jobs by explaining the concepts of direct, indirect, and induced job impacts, and stressing the importance that recipients focus only on reporting information on the direct job impacts. As the recipient reports are received, the Agency will work in consultation with CEA and OMB to check the recipient data for completeness and plausibility. In cases where the results appear to be problematic, the Agency, in consultation with OMB, will ask reporting recipients for more information and, if necessary, explore ways to issue additional guidance and examine possible revisions to the reporting methodology.

Examples of jobs created and retained through EPA projects may include:

- Planning, design, construction, and operation of publicly owned wastewater and drinking water treatment facilities, and building or rehabilitation of water distribution and sewer collection systems.
- Handling, removal, disposal, and management of hazardous substances; laboratory sampling and analysis; environmental assessment, engineering, and management; and site cleanup operation, management, and construction activity at contaminated Superfund sites, brownfield properties, and sites with leaking underground storage tanks.
- Retrofitting, repowering, and/or replacing eligible diesel-powered vehicles and equipment.

Examples of other, broader economic recovery indicators that EPA expects to result from stimulus funding are:

- A greater share of federal funds provided for local clean water and drinking water projects, including disadvantaged and environmental justice communities.
- Increased economic development through reuse of Brownfields and Superfund sites, including improved property values and job opportunities.
- Improvement in the general condition of diesel engines, which will maximize engine life, resulting in savings for owners and fleet managers.
- Increased demand for construction materials such as steel and concrete.
- Increased demand for laboratory and environmental monitoring equipment.
- Increased demand for clean diesel fuel, and emission control technology and equipment.

2. Environmental Results

- Clean Water
 - More people served by projects that protect or restore water quality
 - Fewer homes on tribal lands lacking access to basic sanitation
 - More Publicly Owned Wastewater Treatment Plants in compliance with their permitted wastewater discharge standards
- Drinking Water
 - More percent of Community Water Systems that meet all applicable health-based standards than would otherwise.
 - Service to a high number of people served by systems that comply with the public health requirement of the Safe Drinking Water Act
 - Fewer homes on tribal lands lacking access to safe drinking water
- Brownfields
 - More properties assessed and cleaned up
 - More acres ready for reuse
 - Reduced public exposure to contaminants
- Leaking Underground Storage Tanks
 - More contaminated sites assessed
 - More contaminated sites cleaned up
 - Cleaner and safer groundwater and land-use.
- Superfund Hazardous Waste Site Cleanups
 - More sites with harmful human exposure under control
 - Faster progress at site cleanups
 - More sites cleaned up
- Diesel Emissions Reductions
 - More heavy-duty diesel engines (including school buses) retrofitted, replaced, or retired
 - Greater lifetime reductions of toxic air pollutants
 - More technology solutions purchased, e.g., exhaust controls, engine upgrades, idle reduction technologies, aerodynamic technologies, cleaner fuels, replacement of aging vehicles or equipment

3. Green Results

EPA is encouraging all recipients to minimize the environmental footprint of their work by incorporating innovative technologies and environmental best practices into their projects, especially those funded by the Recovery Act. EPA will ask recipients to provide information, where applicable, on how their projects save energy, conserve water, use renewable resources, practice recycling, and reduce the environmental impact of projects through reuse of construction and demolition materials. Some of the “green results” EPA expects are:

- At least 20 percent of water infrastructure and drinking water projects funded through the Recovery Act will be devoted to “green” projects that improve water and/or energy efficiency and advance environmentally innovative water quality improvements, such as stormwater runoff mitigation and water conservation projects.

- Incorporation of sustainable principles into redevelopment projects on Brownfields sites.
- As major construction projects, Superfund cleanups can involve the use of advanced and innovative technologies for waste water and soil treatment. Employing green technology during cleanup can produce water use efficiencies, reduce energy use and, in some cases, yield energy surpluses through creative project design, as well as lower greenhouse gas emissions.
- Green priorities for diesel emission reduction include decreased emission of greenhouse gas, conservation of diesel fuel, reduced use of fossil fuel, and generation of fuel savings.



Significant work is underway across the Environmental Protection Agency to carry out the Recovery Act effectively. The sections that follow outline enhancements EPA is making to standard processes for awarding and overseeing funds to 1) put Recovery Act dollars to work for Americans as quickly as possible, 2) ensure that Recovery Act dollars are spent for the public benefit, with care, and for their intended purposes, and 3) meet the unique challenges posed by the Recovery Act's transparency and accountability framework.

II. RECOVERY ACT RESOURCE TABLE

EPA Summary Table – By Appropriation in Dollars

EPA Summary Table – Summary By Appropriation, by Program with Mgmt and Oversight				
Appropriations	Program	Mgmt & Oversight (1)	Direct Program	Total Appropriation
STAG – State and Tribal Assistance Grants	Clean Water State Revolving Fund (CWSRF)	\$31,000,000	\$3,969,000,000	\$4,000,000, 000
	Drinking Water State Revolving Fund (DWSRF)	\$20,000,000	\$1,980,000,000	\$2,000,000,000
	Diesel Emissions Reduction Act (DERA)	\$6,000,000	\$294,000,000	\$300,000,000
	Brownfields	\$3,500,000	\$96,500,000	\$100,000,000
LUST – Leaking Underground Storage Tanks	LUST/UST	\$3,000,000	\$197,000	\$200,000,000
SF – Superfund	Superfund - Recovery	\$18,000,000	\$582,000,000	\$600,000,000
IG – Inspector General	Inspector General	NA	NA	\$20,000,000
Total (2)		\$81,500,000	\$7,118,500,000	\$7,220,000,000

- (1) The Management and Oversight Funds will be expended through accounts established in the EPM (Environmental Program & Management) appropriation.
- (2) Note: \$40,750,000 (one half of the Management and Oversight funds) were not made immediately available for obligation, thus the current total of funds available for obligation in EPA's IFMS is \$7,179,250,000.

III. GRANTS AND INTERAGENCY AGREEMENTS

Overall Strategy

The Environmental Protection Agency (EPA) received \$7.2 billion for awards in the following programs: Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Brownfields, Superfund Hazardous Waste Cleanup, Diesel Emissions Reduction and Leaking Underground Storage Tanks. Approximately \$6.6 billion will be used for grants and interagency agreements. EPA is working with our state, local, tribal, non-profit and other partners to use Recovery Act dollars to make new awards that increase our investment in environmental programs and projects. Grants are being distributed quickly, consistent with prudent management. Monitoring reviews will be conducted to ensure EPA grantees have the capability to manage Recovery Act funding. Monitoring reviews will also ensure grantees achieve the goals of job creation and preservation, environmental results and economic recovery.

Funding by Program

Program	Funding Through Grants and Interagency Agreements (in Millions)
Clean Water State Revolving Fund (CWSRF)	\$3,969M
Drinking Water State Revolving Fund (DWSRF)	\$1,980M
Brownfields	\$90M
Superfund Hazardous Waste Cleanup	\$312M
Diesel Emissions Reduction	\$294M
Leaking Underground Storage Tanks	\$190M
Total Funding	\$6,835M

Note: EPA projections on the Recovery Act's Superfund contracts and grants obligations are based on cost estimates related to the planned site work - actual obligations may vary.

Major Milestones

Milestone	Start Date	End Date
Issue Programmatic ARRA Grant Guidance	3/02/09	06/05/09
Award ARRA Non-competitive Capitalization Grants Awarded to States (Clean Water State Revolving Fund, Drinking Water State Revolving Fund)	3/30/09	10/31/09
Award ARRA Non-competitive Grants Awarded (DERA, Brownfields, Leaking Underground Storage Tanks)	3/30/09	08/31/09
Award ARRA Competitive Grants Awarded (Brownfields and Diesel Emissions Reduction)	6/15/09	08/31/09
Obligate STAG, Superfund, and LUST Recovery Act funds	4/30/09	9/30/10
Obligate Management and Oversight (M&O) Funds	4/30/09	9/30/11

Develop and Implement Agency-wide Quality Assurance and Monitoring Strategy	3/16/09	09/30/17
Expend program grants – Final Deadline	3/30/09	9/30/17

IV. CONTRACTS

Overall Strategy

EPA is working with our acquisition partners within and external to the Agency to use stimulus dollars to make awards that increase our investment in environmental programs and projects. Most Recovery Act contract funds will be used to clean up abandoned hazardous waste sites through the Superfund Program, with smaller amounts supporting cleanup of Brownfields, Leaking Underground Storage Tanks, and possibly management support services for other Recovery Act activities. Contracts are being awarded quickly, mostly through the use of existing competitively awarded contracts, and primarily for Superfund site cleanup. These contracts are held by both large and small businesses. In partnership with the Office of Solid Waste and Emergency Response and the Office of Small Business Programs, we are working to appropriately meet our socio-economic objectives along with the goal of supporting the Recovery Act.

EPA plans on exclusively using competitive contract procedures for ARRA work being performed under EPA contracts. The great majority of this work is related to ARRA Superfund cleanup work and about 93% will be done under existing competitively awarded contracts, so by definition are competitive actions under ARRA. A smaller amount (about 7%) of ARRA funds will be obligated under newly awarded competitive contracts. EPA is completely confident in achieving competitive results for these new contract actions based upon our extensive past success in achieving high levels of competition. The Agency expects to use 100% competitive procedures under ARRA, which exceeds the good competition rate of 92.34% achieved in all of EPA's contract actions in 2008.

EPA has determined that most Superfund Cleanup sites are not suitable for fixed price contracting as the scope and extent of pollution cleanup is usually too variable to eliminate costly contingency pricing that would be required for large fixed priced contracts. However, EPA plans to negotiate new fixed priced contract actions for ARRA site-specific Superfund Cleanup work. These actions are estimated to account for about 7% of the total amount of the contract funds to be obligated. This projection is founded on the collaboration between Agency Superfund program and procurement officials on how best to achieve an overall efficient and effective Superfund cleanup objective. EPA's use of fixed price contracting will increase over time as existing EPA contracts (which are not fixed price) will be used to begin work quickly (in order to both stimulate economy and maximize the use of the current construction season) and newly awarded contracts (which will be fixed price) will be awarded starting mostly in late summer of 2009.

The principal role of oversight over Agency contracting activities will reside with management officials located within the Office of Acquisition Management (OAM) and EPA's regional offices. EPA's existing contracts, which will use the majority of recovery-related contract funds, have sufficient qualified acquisition personnel to provide appropriate contract administration and oversight to effectively monitor contractor performance and mitigate the U.S. Government's risk. To enhance oversight efforts, OAM has taken several steps, including: 1) issuing specific guidance highlighting Recovery Act posting, reporting and documentation requirements; 2) devoting a full-time senior staff person to coordinate all contract-related Recovery Act efforts

and development of a contract oversight plan; 3) ensuring that Recovery Act funding will be properly segregated and accounted for by mandating that all contract work utilizing such funding will be obligated on a new tasking document; and 4) establishing a Contract Stewardship Committee to provide oversight and management support. This Committee has developed a detailed management plan to assure that all Recovery Act contract funds achieve, in particular, the goals set forth in sections 2.1 and 6.1 of the Implementing Guidance issued by OMB on April 3. This plan is informed by our experience with many other Agency activities, including previous Office of Inspector General findings, EPA best contract stewardship practices from the Agency's Hurricane Katrina activities, and continuing input from our contracts and program managers and staff.

Funding by Program Area

Program	Funding Through Contracts (in Millions)
Clean Water State Revolving Fund (SRF)	\$0M
Drinking Water State Revolving Fund (SRF)	\$0M
Brownfields	\$7M
Superfund Hazardous Waste Cleanup	\$270M
Diesel Emissions Reduction	\$0M
Leaking Underground Storage Tanks	\$6M
Total Funding	\$283M

Note: EPA projections on the Recovery Act's Superfund contracts and grants obligations are based on cost estimates related to the planned site work - actual obligations may vary.

Major Milestones

Milestone	Start Date	End Date
Develop and Issue ARRA Contracts Guidance	3/02/09	3/25/09
Develop Acquisition Strategy for LUST	3/06/09	3/31/09
Develop Acquisition Strategy for Superfund Sites	3/16/09	5/29/09
Develop Acquisition Strategy for Brownfields Sites	3/16/09	3/31/09
Obligate STAG, Superfund, and LUST Recovery Act funds	4/13/09	9/30/09
Obligate Management and Oversight (M&O) Funds	4/13/09	9/30/11
Develop and Implement Agency-wide Quality Assurance and Stewardship Plan	3/16/09	9/30/17
Expend contracts – Final Deadline	3/30/09	9/30/17

V. INTERNAL CONTROLS: EPA RECOVERY ACT STEWARDSHIP PLAN

To ensure adequate controls and oversight activities associated with EPA's implementation of the Recovery Act, the Office of the Chief Financial Officer (OCFO) convened an Agency-wide Internal Controls Workgroup to develop a Recovery Act Stewardship Plan.

The Stewardship Plan addresses seven operational areas:

- Grants Management
- Contracts Management and Procurement
- Budget Execution
- Financial Reporting
- Interagency Agreements
- Payroll/Human Capital
- Performance Reporting

For each operational area, EPA subject matter experts are identifying programmatic, financial, procurement, grant, and performance risks and evaluating internal controls based on Office of Management and Budget Recovery Act guidance and the five Government Accountability Office internal control standards. EPA's Office of the Inspector General, in an advisory role, and other risk assessment experts are assisting the Agency in preparing these risk assessments.

The Stewardship Plan identifies control activities that mitigate the risks associated with the management of the Recovery Act funds. EPA is identifying risks specific to those programs in addition to the OMB identified risk areas. The Agency is performing reconciliations and quality assurance reviews on the financial data and building in the monitoring of administrative and programmatic operations of recipient and sub-recipient payment activities. The Stewardship Plan will help ensure that financial and performance reporting mechanisms are providing accurate data.

EPA's Internal Controls Workgroup is monitoring implementation of the Stewardship Plan and reports status updates to the Recovery Act Executive Steering Committee for the Agency. In addition, the group is working with program offices to help them develop a consistent, uniform plan for holding management accountable for achieving Recovery Act program goals and improvements.

In December 2008, the OCFO issued FY 2009 A123/ Federal Managers Financial Integrity Act (FMFIA) internal control guidance to assist program and regional offices in developing program/administrative review strategies, conducting reviews, and preparing annual assurance letters to the Administrator. In May 2009, OCFO will develop additional updated guidance to supplement current requirements and ensure that the EPA maintains effective programmatic and administrative internal controls over the Recovery Act resources. The additional guidance will assist program and regional offices engaged in Recovery Act activities in preparing their management integrity letters. EPA's A123/FMFIA guidance for FY 2010 will fully address Recovery Act activities.

VI. ACCOUNTABILITY AND TRANSPARENCY

EPA is committed fully to ensuring transparency and accountability throughout the Agency as we spend Recovery Act funds in accordance with OMB guidance. We welcome the additional opportunities for providing stakeholders and the public with detailed information during implementation of the Recovery Act.

EPA's Senior Accountable Official for the Recovery Act is Craig Hooks, Acting Assistant Administrator of OARM. He represents EPA at meetings convened by the White House, the Office of Management and Budget (OMB), and other government entities; attends EPA's Stimulus Steering Committee meetings; reviews EPA's Recovery Act activities, communication, and reporting information; and sets the implementation vision for the Agency.

To govern Recovery Act communication, implementation policies, business processes, performance measurement, reporting, and monitoring, EPA formed an executive-level Stimulus Steering Committee. The Stimulus Steering Committee is chaired by EPA's Office of Administration and Resources Management (OARM). Membership is comprised of EPA career senior executives and includes representatives from the Office of Inspector General (OIG) as well as the Office of Management and Budget (OMB). The White House Recovery Act Transparency Board has identified EPA's Stimulus Steering Committee as a Recovery Act "best practice."

EPA's Stimulus Steering Committee meets weekly to review implementation, monitor progress, and resolve issues brought by its eight subcommittees. The subcommittees include:

- Communication and Outreach
- Interagency Issues
- Congressional Coordination
- Grants and Interagency Agreements
- Contracts
- Finance and Resources
- Performance Measurement
- Reporting and Tracking

The subcommittees were created to quickly analyze Recovery Act implementation requirements and business processes in their specific areas of responsibility, note any potential issues and opportunities for collaboration, and initiate any necessary corrective actions through clear and transparent work plans with milestones. Each subcommittee meets at least weekly and coordinates with others as needed. Significant obstacles to swift and effective implementation of the Recovery Act are raised through the Stimulus Steering Committee to resolution via weekly ARRA meetings with the Vice President.

EPA tracks progress on award and allocation of Recovery Act dollars on a daily basis, including identification of "sticking points" if the numbers remain static for a day or two, signaling a need for immediate attention. Additionally, EPA's Agency-wide Internal Controls Workgroup is monitoring implementation of the Agency's Stewardship Plan, which identifies control activities that mitigate the risks associated with the management of the Recovery Act funds. The workgroup reports status updates to the Stimulus Steering Committee for Agency-level accountability.

As the Agency progresses from the obligation phase to a focus on management and oversight, the Stimulus Steering Committee expects to close out the work of some subcommittees and form new ones. EPA will continue the process of meeting weekly to report progress, share information, and identify and resolve issues.

EPA is committed to accuracy and transparency in all Agency reporting as well as in all material posted on EPA's Recovery Act Web site, <http://www.epa.gov/recovery/>, and through the government-wide Web site, <http://www.recovery.gov/>. EPA realizes that appropriate internal controls for data and information quality must be in place to ensure that only complete and accurate information is posted and available to the public. For both financial and programmatic performance reporting, EPA will continue to implement its controls under A-123 and the Agency's policy on information quality.

For purposes of the Recovery Act, the Agency has developed Quality Assurance Management Action Plans to ensure quality standards are reflected in fiduciary instruments such as grants and contracts and that performance results reported to information systems for ARRA reporting are complete, accurate, and comply with the Agency's Quality Program and Information Quality Guidelines. Performance results covered by the Management Action Plans include environmental and program outputs and outcomes, green outcomes, jobs created, and administrative outputs specific to stimulus spending. These plans also require documentation and certification of data submitted for purposes of the ARRA.