



*United States*

**Department of Transportation**

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**American Recovery and Reinvestment Act**

**Federal Railroad Administration**

**Capital Grants to the National Railroad Passenger Corporation**

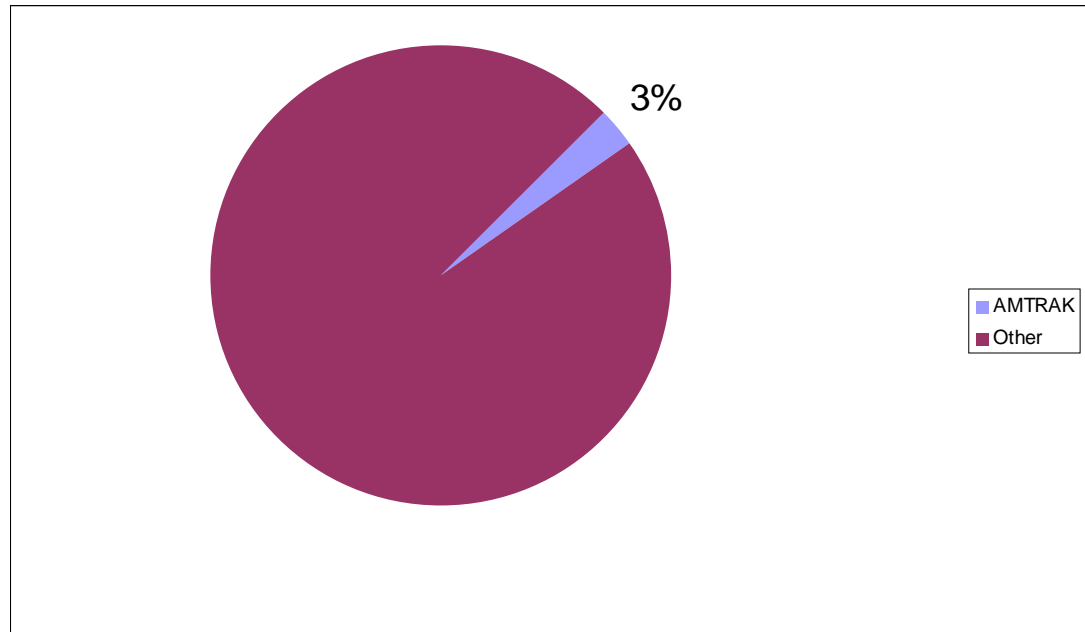
**Program Performance Plan**



Funding

**Funding:** \$1,300,000,000

**Percentage of DOT total Recovery Act funding:**



**Type:** Grant

**Period of Availability:** Two years (through 2010) for program funds and five year funding (through 2013) for Inspector General activities

**Time line for announcing:**

Date	Announcement
March 2009	Recovery Act funding for Amtrak announced

**Amount allotted for administrative cost:** \$6,475,000

**Amount allotted for distribution:** \$1,288,000,000

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## Program Description

### **Program objectives:**

The objective of the capital grants to Amtrak authorized by the Recovery Act is to improve and expand Amtrak's fleet, track, bridges, tunnels and signals, as well as improve the safety and security of its facilities. Priority for non safety and security funds is provided to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity, including the rehabilitation of Amtrak's fleet. Of the capital grants funding, \$450 million was specifically designated for capital security grants. The security projects will focus on enhancements in situational awareness, Improvised Explosive Device (IED) and Vehicle Borne Improvised Explosive Device (VBIED) detection, risk assessment/risk reduction cycle optimization (when vulnerabilities are discovered), and quick response communications within the intercity passenger rail network.

### **Public benefits:**

Amtrak's fleet and fixed infrastructure (track, bridges, tunnels, signals, etc) is aging and faces enormous levels of deferred maintenance. In addition, the company has been unable to expand system capacity to meet the demand of growing ridership in recent years. The investments authorized by the Recovery Act will allow Amtrak to reduce the amount of deferred maintenance in its fleet, fixed infrastructure and fixed facilities (train stations, storage and maintenance facilities), as well as expand capacity to meet the growing demand for intercity passenger rail transportation. The security investments will assist Amtrak in its ability to detect vulnerabilities and respond quickly to threats on the system, thereby providing a safer ride for its users.

### **Project level activities:**

The Recovery Act funds provided to this program are intended to rebuild and modernize Amtrak's infrastructure and equipment, as well as for security and life safety projects. The infrastructure funding will assist Amtrak return its assets to a state of good repair, expand passenger rail capacity and lead to the creation or preservation of jobs. Examples of grant funding include improvements to Amtrak stations and maintenance facilities, bridge repairs, returning locomotives and passenger cars to service, and upgrades to rail tracks and rights of way. The security funds will be utilized for both preventative and response preparation measures to potential terrorist attacks and other disasters. Examples of grant usage include the

implementation of a secure communications network, intrusion detection and deterrence investments, reinforcing critical infrastructure, upgrading fire alarm systems, and providing communications and power supply redundancies.

**Funding determination:**

There is no formula used in distributing funds

**Project selection criteria:**

Project selection is made by Amtrak. Amtrak is limited to spending funds on capital projects. Of the \$1.3 billion made available, no less than \$450 million is reserved for security projects, and of the non-security projects, only 60 percent of the funds may be spent on projects located along the Northeast Corridor. In addition, only those projects that can be completed by February 17, 2011 are eligible for funding.

**Funding decisions made by:** U.S. Department of Transportation

**Contracting vehicle(s):**

The majority of projects will be firm-fixed price contracts (depending on the nature of the project)

**Primary recipients:** Profit organizations

**Beneficiaries:** General Public

**Significant program challenges and mitigation strategies:**

**Challenge 1:** Grantee's completion of all projects by February 17, 2011 as specified by the Recovery Act.

**Challenge 2:** Grantee's ability to manage a capital program whose budget will more than double over the next two years.

**Challenge 3:** The ability of all Amtrak projects to gain the NEPA clearance necessary to begin work and meet the February 17, 2011 completion date specified in the grant agreement.

**Mitigation Strategies:**

The Recovery Act legislation mandates that all projects must gain the National Environmental Policy Act clearance necessary to have work completed by February 17, 2011. In order to ensure this, the grant agreement between the Federal Railroad Administration and the

grantee specifies the necessary measures the grantee must take. These measures include obtaining the necessary environmental clearances, providing training to its employees, requiring that solicitation and contract documents specify a February 17, 2011, completion date, and monitoring and reporting on progress against forecasts. In addition to meeting a rigorous time schedule, Amtrak will be handling a project load and capital budget double its normal size. Amtrak recently submitted to the Federal Railroad Administration a project management proposal which details how the company plans to manage projects under this grant with its current staff, and if necessary, hire project management consultants in order to fulfill the project and time requirement

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## Program Activities

**Activities:** Construction and engineering services

### Milestones

	<b>Milestone</b>	<b>Date</b>	<b>Anticipated Accomplishment</b>
1	Award of Grant	March 2009	Executed grant agreement with grantee.
2	Award of Grant	April 2009	Made first quarterly disbursement under the grant agreement.
3	Second Quarterly Disbursement	July 2009	All projects funded under this grant will be completed by the grantee
4	Third Quarterly Disbursement	October 2009	Make third quarterly advanced disbursement under the grant agreement

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## Anticipated Results

**Expected Outcome 1:** Amtrak's list of deferred maintenance projects will decrease through the use of the \$850 million of Recovery Act funding. Critical projects such as infrastructure repair and facilities maintenance will be addressed with the funds benefitting the system's riders.

**Expected Outcome 2:** Amtrak will be able to expend approximately \$450 million to address security and life safety needs. These funds will be utilized for both preventative and response preparation measures to potential terrorist attacks and other disasters. A few project examples include the implementation of a secure communications network, intrusion detection and deterrence investments, reinforcing critical infrastructure, upgrading fire alarm systems, and providing communications and power supply redundancies.

**Measure 1:** Number of Amtrak cars and locomotives returned to service.

Explanation of measure: Through monthly and quarterly reporting by Amtrak, FRA will track the number of stored and wrecked cars and locomotives returned to service with ARRA funding. Under Amtrak's ARRA grant agreement, they will return 15 diesel locomotives to use in long distance service. Amtrak will also return to service 21 long distance cars and 60 Amfleet cars, including sleepers, lounge, coach, diner and food service cars. Amtrak will bring all cars returned to service into compliance with Americans with Disabilities Act regulations

**Measure 2:** Number of concrete and wood ties replaced

Explanation of measure: Concrete and wooden ties provide the base for railroad tracks. Many of these ties are deteriorating and must be replaced to safely support the track system. Through monthly and quarterly reporting, FRA will track the number of concrete and wooden ties replaced.

**Measure 3:** Number of miles of right of way improvements.

Explanation of measure: Improvements along rights of way are necessary to provide for proper maintenance of assets, on time performance, safety and security.

Through monthly and quarterly reporting, FRA will track these improvements.

**Measure 4:** Number of Amtrak structures (stations, maintenance facilities, bridges) built or improved.

Explanation of measure: Through monthly and quarterly reporting, FRA will track the number and locations of improvements to Amtrak facilities and bridges. Significant work is needed to bring many of Amtrak's facilities and stations into a state of good repair to allow for continued use. In addition to the repairs needed to address safety concerns at these facilities and stations, many stations require improvements to comply with Americans with Disabilities Act regulations. Like these facilities and stations, many bridges that support Amtrak rail operations require maintenance or replacement as a result of their deteriorated condition and age. The \$100 million Niantic River Bridge Replacement in Connecticut will address the Acela train delays that inconvenience traffic and customers along the Northeast Corridor on a daily basis.

**Measure 5:** Completion percentage of Information Technology projects

Explanation of measure: Through monthly and quarterly reporting, the Federal Railroad Administration will track the progress of Amtrak's Recovery Act information technology projects by monitoring the number of wireless access point installations occurring each month at Amtrak locations. These wireless access points will allow personnel out in the field to access internal Amtrak systems. The Federal Railroad Administration will also assess the development of the third phase of Amtrak's Employee Information Management program, which is scheduled for completion by March 2010 with the influx of Recovery Act funding. The third component of Amtrak's information technology projects will be monitoring the progress of the Enterprise Data Access and Availability project to build an enterprise data warehouse at Amtrak's Washington, DC headquarters and associated data marts for use across all of Amtrak's business units.

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## Risk Management & Evaluation

The Department of Transportation created a common risk management protocol for each of its Recovery Act programs to follow. It includes (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3) developing a risk mitigation strategy to address identified risks, and (4) participating in

a validation and testing process to ensure that risks are being addressed. This Recovery Act program is participating fully in the established risk-management process and may even enhance that process with additional program-specific risk management actions.

<p><b>General Risk</b></p>	<p>In general, the risks associated with the grant are meeting the requirement of project completion by February 17, 2011 (as mandated by the Recovery Act) and the ability of the grantees to administer capital projects funded by this grant in addition to its normal capital program. In the past, the Capital Grants program has had difficulty in monitoring the performance and effectiveness of projects. To mitigate this risk, along with the risks of fraud, waste, and abuse of grant funds, the Federal Railroad Administration is enlisting post-monitoring efforts, including monthly and quarterly reporting requirements, as part of its risk mitigation efforts.</p>
<p><b>Reporting Risk</b></p>	<p>The grantee is required per the grant agreement for Recovery Act funding to adhere to all guidance that may be issued on reporting. The Federal Railroad Administration's grants management staff plans to set up a monitoring framework to ensure that the grantee is fulfilling its requirements per the grant agreement.</p>
<p><b>Human Resources Risk</b></p>	<p>The grantee does not possess sufficient human capital to implement Recovery Act at this time. The Federal Railroad Administration intends to use its oversight funds to contract technical expertise to assist in evaluating and overseeing the high risk projects funded under the Recovery Act.</p>
<p><b>Grants Risk</b></p>	<p>DOT awards and obligates grants as soon as appropriations are provided for Amtrak. It then disburses/outlays quarterly grants in equal amounts over the course of the year. This information is recorded as government transactions, whereas Amtrak's awarding of</p>



	contracts and disbursements are entirely non-governmental transactions.
<b>Procurement Risk</b>	The Federal Railroad Administration intends to help mitigate the procurement risk by authorizing Amtrak to expend grant resources on project management expenses, including the hiring of project management contractors to help oversee and implement the projects.
<b>Budget/Financial Risk</b>	Under the grant agreement, the Federal Railroad Administration's contribution is limited to the amounts appropriated under the Recovery Act. If individual projects go over budget, the grantee must reduce their scope or use its own resources to cover any shortfall.
<b>Systems Risk</b>	Since this grant is to only one grantee, the Federal Railroad Administration does not envision issues with grants management systems.
<b>Audit/Investigations Risk</b>	Under the grant agreement, Amtrak is obligated to allow the Federal Railroad Administration and/or its contractors to review accounts and records with reasonable notice at any location. In addition, the grant agreement requires the grantee's Chief Operating Officer to certify that all funds are used appropriately. The grantee is also compelled under the grant agreement to complete an audit that is compliant with federal audit rules.
<b>Performance Risk</b>	The grantee must provide monthly reports to the Federal Railroad Administration on the progress of all projects. In addition, if the grantee does not feel it will be able to complete a project by February 17, 2011, it must take remedial steps and report to the Federal Railroad Administration on the steps taken.

**Planned program assessment / evaluation:**

FRA plans to conduct ongoing program assessments and evaluations, the details of which are to be determined.

<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>
March 2009	December 2011

**Results of recent program assessment / evaluation:**

In 2005, Amtrak underwent a full program assessment, which revealed inefficiency in program results and accountability.

Improvement(s) made: Since the program's assessment in 2005, federal funding appropriated to Amtrak has been aimed at providing dollars to address infrastructure inefficiencies. As money is distributed to address the infrastructure needs, this will ultimately improve Amtrak's on-time performance.

<b>Estimated Start Date</b>	<b>Estimated Completion Date</b>
Not Applicable	Not Applicable

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**Accountability & Transparency**

**Scheduling reviews:** The Federal Railroad Administration intends to conduct quarterly reviews of Amtrak's Recovery Act funded capital projects starting in May 2009.

**Communicating with recipients:** The Federal Railroad Administration plans to hold weekly conference calls with the grantee, as well as ad hoc communications as needed.

**Communicating with public and stakeholders:** Communications with the public will be facilitated through the Federal Railroad Administration's Recovery Act portion of the DOT website, which will reflect information on frequently asked questions received by the agency.

**Collecting and validating project-level data:** The Federal Railroad Administration will depend upon the grantee to report project level data. The purpose of planned quarterly reviews of projects is to validate the project level data provided by the grantee.

**Ensuring best use of federal funds:**

For jobs creation and retention	Amtrak was required by the grant agreement to complete all projects by February 17, 2011. To meet this deadline, Amtrak will have to hire and retain employees accounting for both direct and indirect jobs.
For program or project outputs	Amtrak has a proven record of being able to spend funds provided for capital projects through non Recovery Act appropriations. Through its funding of Amtrak's project management expenses, the Federal Railroad Administration will help ensure that projects are completed on time and within budget.
For other public benefits	The Recovery Act funds will go towards addressing equipment and infrastructure needs, as well as addressing system security issues. Improving the equipment and infrastructure will assist in Amtrak's on-time performance statistics and provide a more reliable service for system patrons, coupled with security dollars which will provide a safer system.

**Holding program managers and recipients accountable:**

Program Managers	The program manager will be held accountable through frequent reporting. Position descriptions of the Federal Railroad Administration's managers who are tracking the development of the Capital Grants program will be updated to include the additional oversight work required by the Recovery Act.
Primary and Secondary Recipients	<p>The Federal Railroad Administration's goal with this grant is to prevent problems from occurring. Through frequent reporting and quarterly reviews, the Federal Railroad Administration aims to identify problems early and work with the grantee to remedy problems quickly and efficiently.</p> <p>Secondary Recipients: This does not apply because Amtrak is the sole recipient of the grant.</p>

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## Compliance & Results

**Reducing environmental impacts:** Intercity rail transportation is both energy efficient and environmentally friendly compared to other modes of intercity transportation. The Recovery Act Amtrak grant will allow the grantee to expand its capacity and bring facilities and equipment into a state of good repair, thereby facilitating its ability to increase ridership.

**Complying with National Environmental Policy:** The grantee will not be allowed to receive advance disbursements on any project that has not received National Environmental Policy Act clearance.

**Complying with National Historic Preservation Standards:** FRA has established a process for ensuring compliance with National Historic Preservation standards.

**Holding recipients accountable for energy efficiency and/or green building standards:** Not applicable.