



United States
Department of Transportation

American Recovery and Reinvestment Act

Maritime Administration

Supplemental Grants for Assistance to Small Shipyards

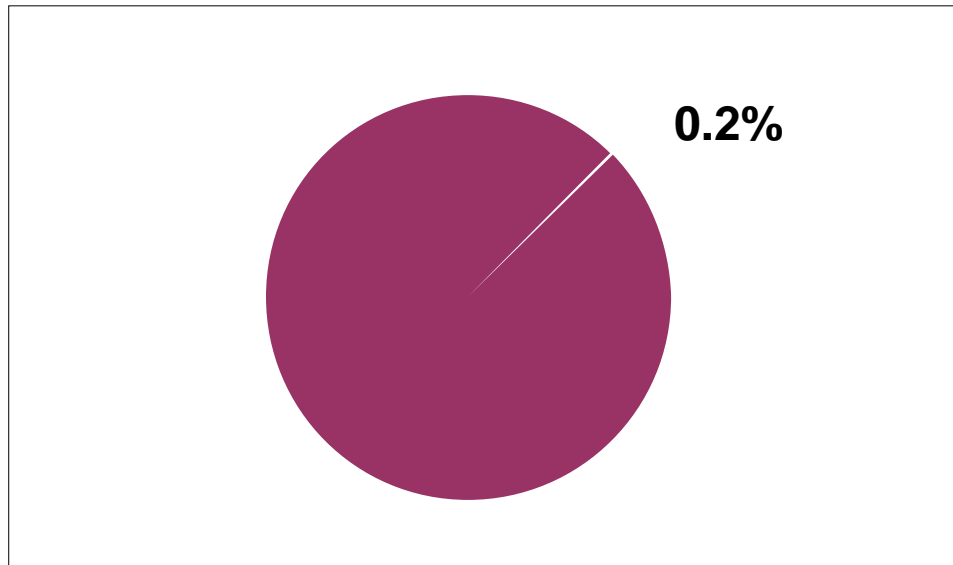
Program Performance Plan



Funding

Funding: \$100,000,000

Percentage of DOT total Recovery Act funding:



Type: Grants

Period of Availability: Two years (through 2010)

Time line for announcing:

Date	Announcement
February 17, 2009	Period for submission of grant application began
March 4, 2009	Detailed program information announced in Federal Register
April 20, 2009	Application for Recovery Act funding due
August 17, 2009	Maritime Administration will award grants and obligate funds
August 17, 2010	Final project performance reports will be due

Amount allotted for administrative cost: \$2,000,000

Amount allotted for distribution: \$98,000,000

Program Description

Program objectives:

The purpose of the grants is to make capital and infrastructure improvements at small shipyards that facilitate the efficiency, cost-effectiveness and quality of domestic ship construction, conversion, or repair for commercial and federal government use. The grants cover a maximum of 75-percent of the estimated cost of improvements. The shipyard ownership is responsible for the remainder.

The Maritime Administration intends to award the full amount of the available funding through grants to the extent that there are worthy applications. Not more than twenty-five percent of the funds available will be awarded to shipyard facilities that have more than 600 production employees.

A shipyard is a commercial facility that builds and delivers or repairs completed vessels. Companies that repair or build components or ship systems are not eligible.

Public benefits:

Expansion of small shipyard capabilities contributes to job-creation and marine transportation system capacity. For example, funding may be awarded to eligible applicants for training programs to advance shipbuilding technical skills or for capital investments to increase operating productivity.

Project level activities:

The program is for capital and infrastructure improvements at small shipyards. Projects that are eligible for grants include, but are not limited to: (1) shipyard

crane improvement projects; (2) shipyard material processing improvement projects; and (3) shipyard training projects.

Funding determination:

There is no formula used in distributing funds

Project selection criteria:

The shipyard facility for which a grant is sought must be in a single geographical location within or near a maritime community, and may not have more than 1200 production employees. Other considerations include economic circumstances and conditions of the maritime community near to which a shipyard facility is located; and projects that would be effective in fostering efficiency, competitive operations, and quality ship construction or repair.

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

Contracting vehicle(s):

The Recovery Act provides for the provision of grants to qualified shipyards.

Primary recipients: Profit Organizations

Beneficiaries: General Public

Significant program challenges and mitigation strategies:

Challenge 1: The applicant may not be able to fully fund the twenty-five percent they are required to pay prior to payment of any federal funds for a project.

Challenge 2: Implementation of reporting requirements including grantee compliance with enhanced Recovery Act reporting requirements.

Challenge 3: Communicating program information to grantees and the public.

Mitigation Strategies:

If the Administrator of the Maritime Administration determines that a proposed project merits support and cannot be undertaken without a higher percentage of Federal financial assistance, the Administrator may award a grant for such project with a lesser matching requirement than is described in item (1) of the above Federal Register reference. Unless waived for good cause, the awardee's matching requirement must be paid prior to payment of any federal funds for the project.

Grantees will provide quarterly Performance Program Reports including performance narrative addressing and updating status and progress of grant-funded projects. Input provided in these reports will inform program oversight and project-level and program-level tracking and reporting.

In addition to notifications to individual grantees, as necessary or appropriate, the program will utilize agency internet sites for posting/provision of program

information and updates. DOT will also provide program information via the internet.

Program Activities

Activities:

The program is for capital and infrastructure improvements at small shipyards.

Milestones

	Milestone	Date	Anticipated Accomplishment
1	Assistance to Small Shipyards Recovery Act grants program details issued in the Federal Register.	March 2009	Completed on time
2	All eligible applications requesting Recovery Act grants received	April 2009	Completed on time
3	All grants awarded	August 2009	100% of grants selected and awarded.
4	Funds obligated	August 17, 2009	100% of Recovery Act funds will be obligated
5	First project performance progress reports	September 2009	100% of reports received in timely fashion.
6	First quarter project performance reports	December 2009	100% of reports received in timely fashion
7	Second quarter project performance progress reports	March 2010	100% of reports received in timely fashion
8	Third quarter project performance	June 2010	100% of reports received in

	progress reports		timely fashion
9	Fourth quarter project performance progress reports	September 2010	100% of reports received in timely fashion
10	Final project performance progress reports	To be determined	100% of reports received in timely fashion

Anticipated Results

Expected Outcome 1:

Grant funding provided by the Recovery Act will support additional capital investment and infrastructure improvement to expand the shipbuilding efficiency of small shipyards. Improved infrastructure, facilities, equipment, and material processes will contribute to increased shipyard capacity, improved efficiency and throughput, and expanded capabilities for building larger ships.

Expected Outcome 2:

Grant funding provided by the Recovery Act will support additional capital investment and infrastructure improvement to expand the ship repair efficiency of small shipyards. Improved infrastructure, facilities, equipment, and material processes will contribute to increased shipyard repair capacity, improved efficiency and throughput, and expanded capabilities for repairing and servicing larger ships.

Measure 1: Total Grant Awards

Total number of grant awards made with customary funding as well as Recovery Act funds

Measure 2: Shipyard Crane Improvement Projects

Investments in new cranes and crane facilities.

Measure 3: Shipyard Material Processing Improvement Projects

Investments in new material processing equipment, including welding facilities, equipment, and systems: pipe benders; hydraulic press; computer numerical controlled cutting tables and equipment; hydraulic press brake; engineering software; etc.

Measure 4: Shipyard Training Projects

The number of grants issued to support training of shipyard personnel, supporting training of shipyard personnel in shipyard management and technical capabilities.

Measure 5: Qualified Grantee Applications

The percentage of eligible/qualified grantee applications receiving (1) customary funding and (2) Recovery Act funding.

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.

General Risk	The program has increased in size from last year, so new procedures and systems are being developed to accommodate the increase. All reporting requirements and additional Recovery Act requirements are being incorporated through participation in Department-wide Recovery Act efforts.
Reporting Risk	All recipients of grants or cooperative agreements awarded under all Federal programs that exceed \$100,000 or more per project/grant period, excluding those that support research, are required to submit a performance progress report to the Maritime Administration in accordance with the terms established in the award document. The performance progress report must be submitted at least on a monthly, a quarterly, semi-annual, or on annual basis, as directed by the awarding Federal agency in the award document. A final performance progress report shall be required at the completion of the award agreement.
Human Resources Risk	Current resources are sufficient to support the program.
Grants Risk	By law, the timeline was set and will be met. Applications will be evaluated based on the law that established the program. Grant awards are not time limited, the period of performance is determined in the grant agreement. Any cost overruns are the

	applicant's responsibility
Procurement Risk	Current procurement workforce is sufficient.
Budget/Financial Risk	Budget and Financial systems are in place to effectively monitor the program and the related administrative funds.
Systems Risk	The Maritime Administration's Virtual Acquisition system will manage the grants with ESC and Delphi will account for the funds.
Audit/Investigations Risk	The Maritime Administration uses corrective action plans to actively monitor and track through completion findings identified in external and internal audits and reviews. Known internal control weaknesses are identified and corrected in accordance with timelines established in corrective action plans.
Performance Risk	The Maritime Administration will report measures and metrics identified above. Additionally, program performance information will be provided to the TIGER team for use in tracking and reporting to the public.

Planned program assessment / evaluation:

With the administrative funding of \$2 million allocated to administrative support and oversight of the ARRA program, the agency plans to allocate the funds needed to conduct a program evaluation to assess progress and the impacts of the grant program and the grants effectiveness at meeting program objectives.

Estimated Start Date	Estimated Completion Date
October 2009	September 2010

Results of recent program assessment / evaluation:

A program assessment or evaluation has not yet been conducted for the Assistance to Small Shipyards program.

Estimated Start Date	Estimated Completion Date
Not Applicable	Not Applicable

Accountability & Transparency

Scheduling reviews:

Grants will have agreements in place detailing each grantee's methodology and timeline for implementing the project. Grants will be monitored through the performance progress report's reporting requirements, and in accordance with the Government Performance Results Act of 1993 reporting cycle for annual performance reports.

Communicating with recipients:

Grantees are required to submit a monthly report to the program manager within the Maritime Administration. The grantee will be required to provide the detailed project progress, along with their request for reimbursement as expenses are paid out.

Communicating with public and stakeholders:

All awards granted will be posted as a new release on the Maritime Administration's Internet Web site, which may be found by clicking on the following link:

http://www.marad.dot.gov/news_room_landing_page/news_item_summary/news_item_summary_2009.htm

Collecting and validating project-level data:

Grantees are required to submit a monthly report detailing progress requested in the agreement. The performance data will be reviewed by the program manager and management within the Maritime Administration to validate for accuracy and timeliness of the project to ensure they are meeting project milestones. If there are any inconsistencies, the program manager will contact the grantee via phone.

Ensuring best use of federal funds:

<p>For jobs creation and retention</p>	<p>The awardees will be required to maintain records, which they must have available for the Maritime Administration to review and audit, and submit periodic reports to include the number of direct, on-project jobs created or sustained by the award. They will also have to include, to the extent possible, the estimated number of indirect jobs created or sustained in the associated supplying industries that includes the number of job-years created and the total increase in employment since the date of enactment of the American Recovery and Reinvestment Act of 2009.</p>
<p>For program or project outputs</p>	<p>This best use of Federal funds will be determined through an analysis, through a scoresheet based on the Law, demonstrating how the project will be effective in fostering efficiency, competitive operations, and quality ship construction, repair, or reconfiguration. Also, projects will be detailed in the grant agreement; grants are fixed price and the grantee is responsible for the payment of any cost over-runs.</p>
<p>For other public benefits</p>	<p>Grants are awarded to private shipyards, which support the economic development of local port communities. Also, through shipbuilding and repairs, the shipyards contribute to maintaining or expanding waterborne freight transport capacity serving suppliers, manufacturers, retailers and consumers. Waterborne transport can help alleviate congestion in other transportation modes, and significantly reduce fuel consumption per ton-mile, with a related carbon footprint reduction, contributing to livability and communities. In addition, as waterborne transport provides a cost-effective transportation alternative, it can impact the cost of goods consumers use every day and contribute to improving quality of life.</p>

Holding program managers and recipients accountable:

Program Managers	Accountability will be provided through a detailed methodology and timeline for implementing the project or by a prioritized list of project elements and cost of each if funding for entire project is not available.
Primary and Secondary Recipients	Grantees are required to submit a monthly report detailing progress and other information requested in the agreement.

Compliance & Results

Reducing environmental impacts:

The requirement does not apply to this program.

Complying with National Environmental Policy:

Shipyards will be required to complete a National Environmental Policy Act checklist as part of their award.

Complying with National Historic Preservation Standards:

The requirement does not apply to this program.

Holding recipients accountable for energy efficiency and/or green building standards:

The requirement does not apply to this program.