




U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: **ACTION:** Program Guidance Letter 09-2 Date: 31 August 2009

From: Manager, Airports Financial Assistance Division, APP-500  Reply to Attn. of: Kendall L. Ball, P.E.
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To: PGL Distribution List

We are issuing this Program Guidance Letter concerning the oversight/inspection of construction projects funded by the American Recovery and Reinvestment Act (ARRA). The ARRA is generating an unprecedented level of interest by the agency, Department, OIG, GAO, OMB and the public. Accordingly, to ensure the Administration's commitment to transparency, the Federal Aviation Administration and the sponsor must be fastidious in its grant documentation and overall record keeping. Additionally, to the extent necessary considering the scale of the project and available resources, the FAA will be conducting additional sponsor worksite visits to ensure project progress and to further mitigate risks related to the use of Recovery Act funding. These additional Sponsor worksite visits by FAA Airport field offices should include additional on site inspections and payment monitoring of moderate and elevated risk grant recipients.

FAA Regional offices and Airports District Offices are encouraged to distribute this PGL widely to the airport and consultant community.

IMPLEMENTATION: This guidance is to be implemented immediately upon issuance. Projects started prior to this date are exempt from implementation of requirements for aspects of the project that have already been completed. If the FAA enters FY 2010 under a continuing resolution, inspection of projects is considered an operational necessity and must be continued.

STATE BLOCK GRANT PROGRAM (SBGP) IMPLEMENTATION: All SBGP states are encouraged to implement additional oversight of ARRA grants. FAA Project Managers or their Representatives are encouraged to "spot check" selected SBGP projects on a time and resources available basis.

STAFFING: All regions are encouraged to take advantage of broad cross-disciplinary expertise in the FAA Office of Airports; such as paving, electrical, equipment and safety. Cross region inspections are encouraged to take advantage of agency expertise. This includes program management and engineering expertise in APP and AAS. Project Managers are encouraged to enlist Regional and Airports District Office (ADO)

managers to include project inspections in conjunction with meetings with sponsors when they are in the vicinity of any ARRA project(s).

FUNDING: Additional funding is available for FAA Office of Airports costs incurred for conducting ARRA inspections. This supplemental funding may not be used for Airport Improvement Program (AIP) project inspections. Contact ACO-1 for funding information.

FREQUENCY OF INSPECTIONS: To the extent necessary, considering the scale of the project and available resources, FAA Project Managers or their representatives are encouraged to attend the preconstruction meeting. This is especially true for those projects impacting the air operations areas or for the moderate and elevated risk grant recipient projects. For those other projects preconstruction meetings may be accomplished through teleconference calls. If attendance and teleconference calls are not practical, the project manager or their representative may request the preconstruction meeting notes, if notes are available. After receipt of the meeting notes, they should be reviewed by the project manager. Any questions arising from the meeting notes may be discussed by phone with the sponsor.

For short duration construction projects (projects lasting less than six months), a mid construction or a final inspection should be accomplished at the project manager's or their representative's discretion.

For longer duration construction projects, it is recommended FAA Project Managers or their representatives conduct a mid construction (approximately 50% complete) inspection. A final inspection may be conducted on a resources available basis.

INITIAL SITE VISIT: The FAA Project Manager or their representative are encouraged to attend the preconstruction meeting for a construction project. At this meeting, the project safety phasing plan should be reviewed with the sponsor and contractor. The FAA ATO Technical Operations representative, and if at a towered airport, the tower manager or their representative should be invited to attend this meeting. The project site should be toured with the sponsor and all interested parties.

SPONSOR'S ROLE: The FAA Project Manager or their representatives should remind the sponsor of their obligations and clarify any questions regarding project oversight and documentation requirements. They should request that the sponsor document their oversight with photographs and the completion of the FAA "Construction Progress and Inspection Report" (FAA Form 5370-1) and mail them to the FAA Project Manager or their representative on a monthly schedule.

On ARRA projects where the sponsor's project management, including construction inspection, is contracted to a consultant, the Sponsor should be encouraged to take a more visible role in review of project inspection/progress reports. The FAA should request that the Sponsor review all consultant reports, paying particular attention to the contactor's manpower, equipment, project completion and current percentage of drawdown. If the Sponsor concurs with the report, request that the report be initialed by the reviewer prior

to forwarding it to the FAA Project Manager. The Sponsor should be encouraged to utilize email whenever available.

MID PROJECT SITE VISIT: Approximately mid way through a construction project, the FAA Project Managers or their representatives are encouraged to visit ARRA project sites particularly on the moderate and elevated risk grant projects. All site visits should be documented with photographs and by the completion of the FAA "Construction Progress and Inspection Report" (FAA Form 5370-1).

Upon arrival at the construction site, the FAA Project Manager or their representative, in conjunction with an airport representative, should inspect the site to ascertain if the safety phasing plan is being followed and all construction equipment is properly marked, flagged and lighted in accordance with the safety phasing plan. The FAA Project Manager or their representatives should accompany the sponsor when they look for any unattended temporary openings in the security fences. The sponsor must notify the contractor and the airport Part 139 inspector of any security deficiencies.

The FAA Project Manager or their representative should note if a project sign has been voluntarily erected and make sure the Davis-Bacon and Department of Labor Equal Employment Opportunity (#1420) posters are prominently displayed.

If the project being inspected is a project which contains paving work in excess of \$250,000; a copy of the construction management program must be on site. The quality control provisions and tests should be reviewed to determine if the sponsor or his representative are in compliance with the requirements.

The FAA Project Manager or their representative should review the on site project progress and determine if the progress is consistent with the grant expenditures to date. The payment requests should be reviewed to determine if timely draw downs are being made. The FAA Project Manager or their representative should also compare the on site project progress to the project construction schedule. If the project is behind schedule, the FAA Project Manager or their representative must discuss the deficiencies with the sponsor and request a revised schedule and a plan for what the contractor is going to do to get back on schedule.

The FAA Project Manager or their representative are encouraged to review the quality control plan, project test reports, and weekly construction reports while on site.

The FAA Project Manager or their representative are encouraged to photo document ARRA construction site activities and file the photographs with their AIP "Construction Progress and Inspection Report" (FAA Form 5370-1).

FINAL INSPECTION: The FAA along with the airport sponsor, consulting engineer, and respective contractor representative(s) should conduct a final inspection of an ARRA project. The FAA project manager or their representative should complete an FAA Final Inspection report and file it with the grant documentation. The final inspection is to determine if all the work contained in the grant project description has been completed in

a generally accepted level of workmanship. Any unsatisfactory work must be noted at the time of inspection and presented to the sponsor/contractor for correction. Final project photographs should be taken and filed with the project final inspection report.

EQUIPMENT ACQUISITION PROJECTS: Inspection of equipment will be on a time and resources available basis. The use of photographs supplied by the sponsor is encouraged.