

Fact Sheet
20 February 2009

USACE Civil Works Execution
of the American Recovery and Reinvestment Act of 2009

BACKGROUND INFORMATION: President Obama signed into law the American Recovery and Reinvestment Act of 2009 on 17 February. The intent of this legislation is to stimulate recovery of the U.S. economy. USACE has prepared for inclusion in the stimulus legislation by providing Congress with informed estimates of existing capability to perform additional work. The legislation sets forth project selection criteria as projects that will:

- (1) Be obligated/executed quickly
- (2) Result in high, immediate employment
- (3) Have little schedule risk
- (4) Be executed by contract or direct hire of temporary labor
- (5) Complete either a project phase, a project, or will provide a useful service that does not require additional funding

For the USACE Civil Works Program, the act includes \$4.6 billion in funding. Of that, \$2.1 billion are appropriated for Construction and \$2.3 billion for Operation and Maintenance (O&M). Appropriations are also included for the Mississippi River and Tributaries account.

USACE estimates it will award contracts on approximately 400 maintenance projects with O&M funding by the end of April with contract values ranging from \$250,000 to \$10 million and construction durations of 6 months to 2 years. USACE also estimates the award of approximately 300 construction contracts ranging in value from \$1 million to \$30 million by the end of April with construction durations ranging from 6 months to 3-1/2 years.

PROJECT CRITERIA: USACE has identified many potential Civil Works projects that meet the criteria of the legislation, and is in the process of selecting projects to accomplish from among those identified. Key project ranking and selection criteria will consider whether the project:

- Can be obligated/executed quickly (3-6 months)
- Will result in high, immediate employment
- Has a high probability of being obligated/executed as scheduled with cost-sharing sponsor, if applicable, i.e. little schedule risk
- Will be executed by contract or direct hire of temporary labor
- Will complete either a project phase or a project, or will provide a useful service that does not require additional funding, or partially funds a contract that is budgetable in the future
- Does not duplicate any work budgeted in FY09, 10 or likely to be budgeted in FY11

- For projects that have approximately equivalent impacts on labor or economic stimulus, we will also consider other projects benefits such as long term economic benefit, environmental value, risk to life or property, and project support to sustainable energy independence (e.g. hydropower, dredging of federal channels that support the energy industry, etc.)

PROGRAM DISTRIBUTION: USACE will develop a total stimulus program that will realize Congressional intent on a national level, consistent with our ability to utilize the funds over a broad geographic area for all authorized mission areas. Accordingly, USACE will perform several program tests to achieve a balanced national program. Tenants of these tests include:

- A balance of projects that can be executed and provide labor and economic benefits very quickly (3-6 months) but also has some projects that will be obligated/executed over the midterm (6-10 months) and long term (10-15 months)
- A geographic balance across the nation
- Approximately proportional balance across all business programs
- The projects and program contribute effectively to the Civil Works Strategic Plan and the USACE Campaign Plan

USACE will continue to place public safety at the forefront of any effort that will result from the stimulus funding. We will not place the American public at increased risk by compromising the highest standards of engineering for speed in project execution. Additionally, USACE will ensure the appropriate people and processes are in place to perform rigorous oversight of contracting, contractors and program execution related to stimulus funding from the outset to provide the American public with transparent accountability of how their money is being spent.

USACE Civil Works projects are estimated to create approximately 8,000 direct jobs for every \$1 billion spent, and to indirectly create an additional 20,400 jobs in industries supplying construction and O&M activities and the industries that sell goods and services to these workers and their families.

USACE will execute new requirements in the American Recovery and Reinvestment Act of 2009 by following existing contracting criteria with full and open competition, recognition of small and disadvantaged business goals, and will award contracts according to performance, technical capabilities, and the ability to respond timely and within budget.