Report to Congressional Committees

April 2022

DISCRETIONARY TRANSPORTATION GRANTS

DOT Should Clarify Application Requirements and Oversight Activities

Accessible Version

GAO Highlight

DISCRETIONARY TRANSPORTATION GRANTS

DOT Should Clarify Application Requirements and Oversight Activities

Why GAO Did This Study

In 2007, GAO placed funding for surface transportation programs on the High Risk list. The INFRA program—a DOT discretionary grant program—was established by statute to fund nationally significant freight and highway projects. Since 2016, DOT has awarded more than $4 billion to 94 transportation projects across the country.

The Infrastructure Investment and Jobs Act included a provision for GAO to review DOT's process for evaluating and selecting INFRA projects for award. This report examines, among other things, the extent to which DOT has: (1) taken steps to clarify to applicants how it will evaluate INFRA grant applications and (2) provided oversight for the INFRA grant application review process and ensured that application evaluations were accurate and complete. GAO reviewed documentation of the INFRA evaluation process, analyzed fiscal year 2019 and 2020 application and award data, and interviewed DOT officials and program applicants.

What GAO Recommends

GAO is recommending that DOT: (1) systematically analyze applicants' information to determine how to clarify large project requirements and (2) provide direction on how oversight activities will be conducted and designed to detect and correct evaluation errors and ensure accurate documentation. DOT concurred with GAO's recommendations and provided technical comments, which GAO incorporated as appropriate.

What GAO Found

The Department of Transportation (DOT) has taken some steps to clarify how it would evaluate applications for Infrastructure for Rebuilding America (INFRA) grants since the initial round of funding in 2016. In fiscal year 2019, DOT began providing applicants with information in the funding announcement on the specific scores DOT would assign when evaluating applications against merit criteria. In fiscal year 2020, DOT provided information to applicants to clarify how it would assess statutory requirements for large projects (those meeting a specified size threshold). For example, DOT clarified that it would determine a project to be cost-effective if its benefit-cost ratio was greater than or equal to one.

DOT officials stated that these clarifications were intended to reduce the number of resource-intensive follow-up actions to obtain additional information from applicants. However, GAO found that DOT's efforts did not reduce the number of follow-up activities (see figure). DOT has not systematically analyzed all available application and follow-up information to determine how to better clarify application requirements for large projects. Instead DOT has relied on staff discussions and other observations to guide funding announcement clarifications. Without such an analysis, DOT may be unable to achieve its intended goal of reducing follow-up activities.

Department of Transportation's Outreach to Infrastructure for Rebuilding America (INFRA) Large Project Applications Considered for Award, Fiscal Years 2016–2020

Large project applications

Year	DOT determined that the project met all requirements after seeking additional information	DOT determined that the project met all requirements based on initial application
2016	33	9
2018	31	16
2019	31	9
2020	30	10

Funding rounds
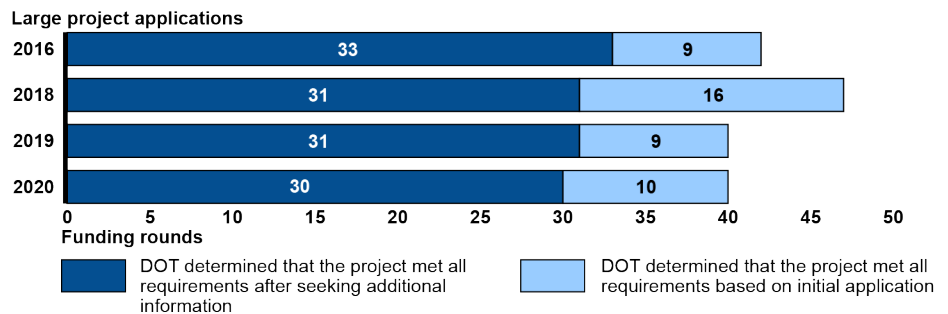
Source: GAO analysis of DOT data. | GAO-22-104532

Accessible Data Table for Highlight Figure

	DOT determined that the project met all requirements after seeking additional information	DOT determined that the project met all requirements based on initial application
2016	33	9
2018	31	16
2019	31	9
2020	30	10

Note: DOT awarded fiscal year 2017 funds to large projects under a joint Notice of Funding Opportunity with the fiscal year 2018 funds, so these projects are included in 2018.

DOT's quality control and oversight activities for the INFRA program did not consistently detect or correct inaccurate or incomplete application evaluations. According to DOT's INFRA evaluation plan, an internal quality control team is responsible for reviewing applications to ensure consistency and high-quality documentation reviews, and for ensuring that grant application evaluations are completed in accordance with INFRA guidelines. However, GAO identified errors in DOT's evaluation documentation. For example, seven of the 40 projects (18 percent) that DOT awarded in 2019 and 2020 had inaccurate or incomplete evaluations. DOT did not detect or correct these errors because it does not provide direction on how it will conduct oversight activities, including ensuring accurate and complete evaluation documentation. Without such an approach, DOT may continue to risk awarding some projects that have inaccurate evaluations.

Contents

Abbreviations

DOT	Department of Transportation
FAST Act	Fixing America's Surface Transportation Act
FASTLANE	Fostering Advancement in Shipping and Transportation for the Long-term Achievement of National Efficiencies
INFRA	Infrastructure for Rebuilding America
NOFO	notice of funding opportunity
OMB	Office of Management and Budget

April 6, 2022

Congressional Committees

The Fixing America's Surface Transportation Act (FAST Act) authorized about a dozen discretionary grant programs, meaning programs where the funding for transportation projects is awarded through competitive grants rather than being distributed by statutory formula. One of the discretionary grant programs in the FAST Act is what is now known as the Infrastructure for Rebuilding America (INFRA) program.[1] The INFRA program aims to provide financial assistance for highway and freight projects of national or regional significance. Since 2016, the INFRA program has experienced substantial demand from applicants. In the first 5 years of the program, the Department of Transportation (DOT) has awarded more than $4 billion to 94 transportation projects across the country.

In prior work, we reported that the INFRA program, along with other discretionary grant programs, represents a promising development to address national and regional transportation priorities.[2] However, we found numerous challenges with the INFRA program's implementation. Specifically, we found in 2017 and 2019 that DOT had not consistently or transparently evaluated and selected grant applications for awards under the program.[3] In 2019, we found DOT also had not clearly communicated how it would evaluate applicants, including when it would seek additional information from applicants. In addition, DOT had not documented key decisions when evaluating and awarding INFRA grants, making it unclear how DOT selected projects for award. We found issues related to

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[1] Pub. L. No. 114-94, § 1101(a)(5), 129 Stat. 1312, 1332 (2015). This program, established by the FAST Act as the Nationally Significant Freight and Highway Projects program and initially referred to as the Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE) program, began being referred to as INFRA in fiscal year 2017.

[2] See GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, GAO-21-119SP (Washington, D.C.: Mar. 2, 2021).

[3] GAO, *Discretionary Transportation Grants: Actions Needed to Improve Consistency and Transparency in DOT's Application Evaluations*, GAO-19-541 (Washington, D.C.: June 26, 2019) and *Discretionary Transportation Grants: DOT Should Take Actions to Improve the Selection of Freight and Highway Projects*, GAO-18-38 (Washington, D.C.: Nov. 2, 2017).

consistency and transparency in prior reviews of other DOT discretionary grant programs, beginning in 2011.[4]

The Infrastructure Investment and Jobs Act included a provision for GAO to review DOT's process for evaluating and selecting INFRA projects for award.[5] This report assesses the INFRA program and the extent to which DOT has (1) taken steps to clarify to applicants how it will evaluate grant applications, (2) implemented a consistent and transparent process for advancing and selecting projects for awards, and (3) provided oversight for the grant application review process and ensured that DOT grant application evaluations were accurate and complete.

For all objectives, we reviewed our prior work on DOT's discretionary grant programs, including INFRA.[6] We also conducted an analysis of an internal INFRA tracking spreadsheet showing the results of DOT's grant application evaluations for the fiscal year 2019 and fiscal year 2020 rounds of the INFRA program, along with narratives explaining DOT's decision-making rationale for those evaluations.[7] Specifically, for all 193 and 175 applications that DOT evaluated in fiscal years 2019 and 2020, respectively, we reviewed the tracking spreadsheet fields describing each

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[4] GAO, *DOT Discretionary Grants: Problems with Hurricane Sandy Transit Grant Selection Process Highlight the Need for Additional Accountability*, GAO-17-20, (Washington, D.C.: Dec. 14, 2016); *Surface Transportation: Actions Needed to Improve Documentation of Key Decisions in the TIGER Discretionary Grant Program*, GAO-14-628R, (Washington, D.C.: May 28, 2014); *Surface Transportation: Competitive Grant Programs Could Benefit from Increased Performance Focus and Better Documentation of Key Decisions*, GAO-11-234, (Washington, D.C.: Mar. 30, 2011); and *Intercity Passenger Rail: Recording Clearer Reasons for Awards Decisions Would Improve Otherwise Good Grantmaking Practices,* GAO-11-283, (Washington, D.C.: Mar. 10, 2011).

[5] Pub. L. No. 117-58, § 11110(a)(15), 135 Stat. 429, 472-73 (2021) (codified at 23 U.S.C. § 117(p)(2)). GAO initially began examining these questions in response to a request from the committees listed in the report. After the enactment of the Infrastructure Investment and Jobs Act in November 2021, the committees agreed that this report would satisfy the first year of GAO's annual reporting requirement under the Infrastructure Investment and Jobs Act on the Nationally Significant Freight and Highways Projects program, currently referred to as INFRA.

[6] GAO-19-541; GAO-18-38; GAO-17-20; GAO-14-628R; GAO-11-234; and GAO-11-283.

[7] DOT used an online tool to record grant application evaluation results and associated justification narratives. We refer to the tool as a "tracking spreadsheet" throughout this report.

project's technical review scores, determinations for large projects, and associated narratives.[8]

In addition, we conducted in-depth reviews of all tracking spreadsheet fields for all of the 40 projects awarded in fiscal years 2019 or 2020 combined. We also reviewed a sample of 22 non-awarded projects in those years, including some that had advanced to consideration for possible award. We selected 22 non-awarded projects that had one or more of the following characteristics: high scores, DOT re-scoped to remove elements that DOT found could not meet a statutory requirement, DOT advanced to increase geographic diversity, or DOT's reason for advancing a project was unclear without further examination of the tracking spreadsheet. While our observations about the selected and non-awarded projects that we reviewed are not generalizable to all projects DOT considered for funding, they provide insight on how DOT evaluated and advanced projects for potential award.

To assess the reliability of the tracking spreadsheet, we interviewed DOT officials and conducted data checks. We found the data were sufficiently reliable for understanding how DOT evaluated projects.

We also interviewed DOT staff with diverse responsibilities, including: (1) those who conducted technical evaluations of INFRA grant applications against criteria established by DOT, (2) those responsible for overseeing the process, and (3) a Senior Review Team official responsible for deciding which projects to forward to the Secretary of Transportation.

To assess the extent to which DOT has taken steps to clarify to applicants how it will evaluate grant applications, we reviewed FAST Act requirements and DOT's INFRA evaluation plans for fiscal years 2019 and 2020 that described how DOT staff should evaluate projects against the requirements as well as criteria established by DOT. We reviewed the notices of funding opportunity (NOFOs), which announced for applicants the availability of INFRA funds for fiscal years 2016–2020, as well as the program's key objectives and the criteria DOT would use to evaluate applications. We reviewed DOT's changes to the NOFOs across those fiscal years and discussed with DOT officials the process for clarifying the NOFOs. We also reviewed data gathered during our previous reviews of

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[8] In order to be eligible for INFRA funding, the Secretary of Transportation must determine that projects categorized as large meet seven requirements described in the FAST Act.

the program.[9] We then compared DOT's process for identifying what information in the NOFOs should be clarified against the *Standards for Internal Control in the Federal Government*—specifically the principle that management should use quality information to achieve the entity's objectives—and against the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.[10]

To assess the extent to which DOT implemented a consistent and transparent process for advancing and selecting projects for awards, we examined DOT documents on the selection of INFRA awards, including the NOFO, the compilation of projects selected by senior reviewers for consideration for possible award (referred to in this report as the List) and selection memos documenting which projects the Secretary selected for award. We compared information from these documents about DOT's process to the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and DOT's Guide to Financial Assistance (DOT's Financial Guide).[11]

To assess the extent to which DOT provided oversight for the grant application review process and ensured that DOT grant application evaluations were accurate and complete, we compared the INFRA oversight process as described in the evaluation plans to DOT's Financial Guide and *Standards for Internal Control in the Federal Government*—specifically the principles that management should identify deficiencies through monitoring activities and determine appropriate corrective actions to remedy these deficiencies.[12] We also reviewed the results of DOT's grant application evaluations, and identified inaccuracies and inconsistencies. We discussed our findings with DOT officials. For more information on our scope and methodology, see appendix I.

We conducted this performance audit from September 2020 to April 2022 in accordance with generally accepted government auditing standards.

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[9] GAO-19-541 and GAO-18-38.

[10] GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014) and 2 C.F.R. Part 200 and App. I to Part 200.

[11] 2 C.F.R. Part 200 and App. I to Part 200, and DOT, *Guide to Financial Assistance* (Washington, D.C.: October 2019). DOT's *Financial Assistance Guidance Manual* (Washington, D.C., December 2016) was in effect for fiscal year 2019 INFRA awards. For the purposes of this report, the guidance was similar except where noted otherwise.

[12] GAO-14-704G.

Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Since 2007, funding the nation's surface transportation system has been a High Risk area, as there continues to be an imbalance between revenues and spending. As a result, over the last decade, we have highlighted the importance of spending surface transportation funding wisely and efficiently, and have noted opportunities to improve performance and accountability. Historically, much of the federal spending for surface transportation programs has been through noncompetitive formula grants to states. However, we have reported that this approach to funding surface transportation, in particular highways, poses challenges to meeting national goals.[13] For example, relying on formula grants, which allocate funds based on distribution formulas prescribed by statute, has not effectively addressed key national challenges.

In contrast, discretionary grant programs, such as INFRA, award grants on a competitive basis and represent a different approach than formula grants. Discretionary grant programs, such as INFRA, direct federal funding toward national transportation priorities—such as improving the condition of critical infrastructure, enhancing economic competitiveness, and reducing transportation fatalities. Such programs can be targeted to address key national challenges and can help improve the performance and accountability of funding decisions.

Generally, federal agencies review discretionary grant applications against statutory requirements and published selection criteria before selecting projects to receive awards. In prior work, we have recommended that a merit-based competitive approach—like INFRA—be used to direct a portion of federal funds to transportation projects of

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[13] GAO-21-119SP.

national and regional significance.[14] Since fiscal year 2016, Congress has made available $5.5 billion for the INFRA program for highway, rail, port, and multimodal projects, primarily through the FAST Act.[15] For information on characteristics of INFRA awards for fiscal years 2016–2020, see appendix II.

DOT's process for evaluating INFRA grant applications has multiple phases including intake, technical evaluation, preliminary large project determinations, and senior review. It also includes a Quality Control and Oversight Team that is involved throughout and is responsible for ensuring consistent reviews of applications and documentation. Before the start of the INFRA-funding cycle, DOT develops an INFRA evaluation plan, which outlines the steps of the evaluation process and program requirements, and issues the NOFOs shortly thereafter. DOT documents the evaluation process with different types of records, such as the INFRA tracking spreadsheet and the List (see fig. 1).

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[14] GAO, *Surface Transportation: Clear Federal Role and Criteria-Based Selection Process Could Improve Three National and Regional Infrastructure Programs*, GAO-09-219 (Washington, D.C.: Feb. 6, 2009).

[15] See Pub. L. No. 114-94, § 1101(a)(5), 129 Stat. 1213, 1323 (2015) (authorizing $4.5 billion for fiscal years 2016–2020). See also Pub. L. No. 116-159, div. B, tit. I, § 1101(a), 134 Stat. 709, 725 (2020) (extending the FAST Act authorization for federal surface transportation programs for fiscal year 2021 at fiscal year 2020 levels).

Figure 1: The Department of Transportation's (DOT) Infrastructure for Rebuilding America (INFRA) Grant Application and Evaluation Process and Primary Documents
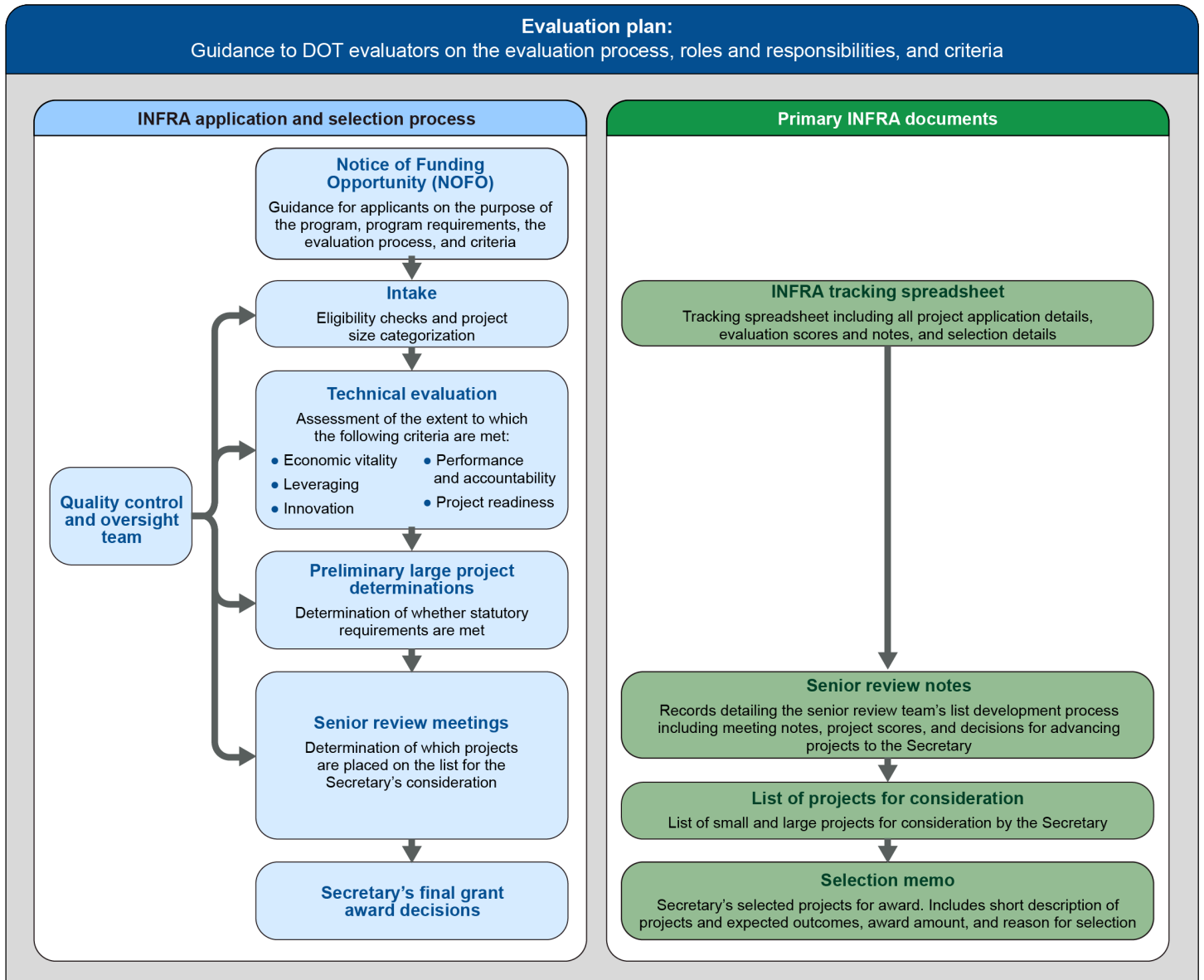
Source: GAO analysis of DOT data and evaluation documents. | GAO-22-104532

An INFRA intake team reviews whether applications meet the eligibility requirements outlined in the FAST Act, as amended, to receive funding. State, local, and tribal governments, as well as multistate or multijurisdictional groups, are among the entities eligible to receive INFRA

funding. Eligible project types include highways, ports, grade crossings, and railroads. DOT categorizes each project as either large or small and each project must meet a minimum cost-sharing requirement.[16]

Technical teams use the evaluation plan and NOFO to assess and score project applications based on four DOT-established merit criteria: Economic Vitality, Leveraging of Federal Funding, Innovation, and Performance and Accountability. DOT similarly assesses and scores an additional consideration of Project Readiness, meaning the likelihood of a project's successful delivery and that the project will meet statutory timeframes for obligating funds. DOT's evaluation plan provides a definition and scoring instructions for each of the merit criteria and Project Readiness.[17] Team members document their scores and a narrative justification in the tracking spreadsheet. Generally, technical team members assign scores of high, medium, or low for each criterion and consideration, with some exceptions. The technical teams evaluated 193 applications in fiscal year 2019 and 175 in fiscal year 2020 using the four merit criteria and the Project Readiness consideration.[18]

Following the technical team review, the Quality Control and Oversight team further evaluates large project applications to determine whether large projects meet the seven additional large project requirements described in the FAST Act. Specifically, for a large project to be eligible for INFRA funding, the FAST Act requires that the Secretary determine that the project meet these seven requirements:

1. will generate national or regional economic, mobility, or safety benefits;

2. will be cost-effective;

3. will contribute to one or more of the national goals for the transportation system: improve safety, maintain infrastructure, reduce

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[16] The minimum project size for large projects was the lesser of $100 million or 30 percent of a state's previous fiscal year statutorily determined federal-aid apportionment if the project is located in one state, or 50 percent of the larger participating state's previous fiscal year apportionment for projects located in more than one state. A small project is an eligible project that does not meet the minimum project size for a large project.

[17] We summarize the merit criteria and Project Readiness, and how DOT assesses them, in greater deal below.

[18] These evaluations reflect projects that DOT found met applicant eligibility, project type, and cost-sharing requirements. DOT also did not evaluate duplicate submissions.

congestion, increase system reliability, improve freight movement and economic vitality, enhance environmental sustainability, and reduce project delivery delays;[19]

4. is based on the results of preliminary engineering;[20]

5. for related non-federal financial commitments, has stable and dependable funding and financing sources to construct, maintain, and operate the project, and contingency amounts to cover unanticipated cost increases;

6. cannot be easily and efficiently completed without other federal funding or financial assistance; and

7. is reasonably expected to begin construction no later than 18 months after the date of obligation of funds for the project.

The Senior Review Team (consisting of senior officials from the Office of the Secretary, among others) then assembles the List after reviewing technical review scores and large project requirement determinations. We refer to the process of determining which projects made the List as the List development process. The Senior Review Team added large projects that initially met all seven requirements to the List.

Additionally, the Senior Review Team charged the Quality Control and Oversight team to follow up with certain applicants whose applications did not demonstrate in their applications that their large projects met all seven requirements. We found in 2019 that DOT required additional information for most large projects on the List to determine whether the project met all of these requirements. For example, 31 of 47 projects on the List required

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[19] 23 U.S.C. § 150. The goals are: (1) Significant reduction in traffic fatalities and serious injuries on all public roads (safety); (2) maintain the highway infrastructure asset system in a state of good repair (infrastructure condition); (3) significant reduction in congestion on the National Highway System (congestion); (4) improve the efficiency of the surface transportation system (reliability); (5) improve the National Highway Freight Network, strengthen the ability of rural communities to access national and international trade markets, and support regional economic development (freight movement and economic vitality); (6) enhance the performance of the transportation system while protecting and enhancing the natural environment (environmental sustainability); (7) reduce project delivery delays—reduce project costs, promote jobs and the economy, and expedite the movement of people and goods by accelerating project completion through eliminating delays in the project development and delivery process, including reducing regulatory burdens and improving agencies' work practices.

[20] Preliminary engineering is the location, design, and related work leading to physical construction of a project.

follow-up to meet all seven large project requirements in the fiscal year 2018 round of funding.

Follow-up activities included requests to applicants for additional information, as well as actions by Senior Review Team and Quality Control and Oversight officials that reduced the scope of some projects to eliminate components that could not meet a statutory requirement.[21] According to the evaluation plan, the Senior Review Team itself, based on its subject matter expertise, also could provide the necessary information for a project to meet the requirements. For the purposes of this report, we refer to all these actions as "follow-up."

The Senior Review Team assembles the List; the Secretary of Transportation selects projects for award from that List. In making the selections, the FAST Act requires that for each fiscal year, the Secretary provide 10 percent of available funds for small projects, and at least 25 percent of available funds for projects in a rural area.[22] In addition, the FAST Act requires that the Secretary must consider geographic diversity during the selection process. The Secretary selected 20 projects in both fiscal year 2019 and 2020 for INFRA funding from the List, which DOT recorded in its selection memos.

In our prior reviews, we found that DOT did not consistently or transparently evaluate applications and award grants under the INFRA program and its predecessor, the FASTLANE program. Specifically, we found inconsistency in follow-up activities as DOT lacked a clear rationale for why it followed-up with some applicants and not others. With regard to transparency, we found that DOT did not fully document its decisions. We have made six recommendations to address these issues, and DOT has

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[21] GAO-19-541 and GAO-18-38. For example, a project could be re-scoped to eliminate pieces of the project that DOT found could not meet the statutory large project requirement to be cost effective.

[22] With respect to the INFRA program, the FAST Act defines the term "rural area" to mean an area that is outside an urbanized area with a population of over 200,000.

concerred with all of them.[23] DOT has taken steps toward addressing some of these recommendations but, as of January 2022, has not yet fully implemented these recommendations.

DOT Has Provided Additional Information to Applicants, but Has Not Analyzed How It Could Clarify Certain Requirements

DOT Provided Additional Information on How It Would Assess Grant Applications against Merit Criteria

In fiscal years 2019 and 2020, for the first time since the program began, DOT provided INFRA applicants with information on the specific scores its technical teams could assign when assessing projects against the merit criteria. DOT provided this information to help applicants better understand how they will be evaluated.

Prior to fiscal year 2019, DOT had described possible scores in its internal evaluation plan but had not communicated them to applicants in the NOFO. In the fiscal year 2019 NOFO, DOT described the possible scores it would assign for three merit criteria—(1) Leveraging of Federal Funding, (2) Innovation, and (3) Performance and Accountability. In the

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[23] GAO-18-38 and GAO-19-541. In GAO-18-38, we recommended that DOT (1) develop an evaluation plan for the INFRA program in advance of issuing the NOFO and ensure the program's evaluation plan clearly defines how all review teams should apply criteria, assess applications, and assign ratings to ensure that all applications are consistently reviewed, (2) ensure all program applicants be notified in writing of the outcomes of the application selection process. For unsuccessful applicants, the notification should include a brief explanation of the decision, and (3) require INFRA program teams to document their decision-making rationale throughout all levels of review in the application selection process. In GAO-19-541, we recommended that DOT (1) in its NOFO and evaluation plan, for each remaining INFRA-funding cycle, clarify the circumstances under which DOT may select applicants to receive requests for additional information; (2) develop procedures for each remaining INFRA-funding cycle to ensure that when additional information is requested from an applicant, the specific rationale behind the request is documented (for example, to promote geographic diversity among projects), as well as to ensure that DOT documents the rationale if similar projects were not afforded an opportunity to provide additional information; and (3) ensure that DOT provides information to applicants in its NOFO for each remaining INFRA-funding cycle regarding: (1) how scores on merit criteria are used, if at all, to determine whether projects advance to the Secretary for selection, and (2) how, if at all, DOT plans to use merit scores to determine which projects should receive an award.

fiscal year 2020 NOFO, DOT added possible scores for the fourth merit criterion, Economic Vitality.

For example, the fiscal year 2020 NOFO specifically delineates how DOT would score a project's benefit-cost ratio for the Economic Vitality criterion, with a ratio greater than 3.0 being the highest possible score and a ratio of less than 1.0 being the lowest possible score. As a result, applicants in fiscal year 2020 could refer to the NOFO to understand the possible merit scores DOT might assign to their projects. This additional information on how merit criteria are evaluated can be used by applicants when deciding whether to apply for the INFRA program. (See fig. 2.) As was the case in previous years, DOT also scores project applications on an additional consideration of Project Readiness, and directs applicants in the NOFO to provide a project schedule and other information in their application.

Figure 2: The Department of Transportation's (DOT) Fiscal Year 2020 Merit Criteria and Additional Consideration for Infrastructure for Rebuilding America (INFRA) Grants

Criteria and description	Possible scores		
Economic vitality			
The project demonstrates that it would support the economic vitality of either the nation or region.	Benefit-cost ratio of >3.0, 1.5 - 3.0, 1.0 - 1.5, or <1.0	Net present value of >$250 M, $50 - $250 M, $0 - $50 M, < $0	Level of confidence of High, Medium, or Low
Leveraging of federal funding	Non-Federal leverage percentage sorted high to low		
The project demonstrates that it has maximized its nonfederal funding through increased participation from state, local, and private sector stakeholders.	**Highest score** >80th percentile / **2nd highest score** 60th-79th percentile / **3rd highest score** 40th-59th percentile / **4th highest score** 20th-39th percentile / **lowest score** 0-19th percentile		
Innovation (3 factors)			
● **Technology:** The project incorporates an innovative technology, such as technologies related to automated vehicles or cybersecurity to protect safety systems, or facilitates broadband deployment and the installation of high-speed networks concurrent with project construction. ● **Project delivery:** The project proposes an innovative strategy to improve project delivery that will result in more efficient project implementation, such as contracting and procurement strategies, environmental requirements strategies, or project delivery innovations. ● **Financing:** The project financial plan incorporates funding or financing from innovative sources, or the applicant describes recent or pending efforts to raise significant new revenue for transportation investment across its program.	**High =** the application addresses at least two of the three factors	**Medium =** the application addresses one of the factors	**Low =** the application addresses none of the factors
Performance and accountability (2 factors)			
● **Accountability measures:** The project allows DOT to condition funding on specific accountability measures, which could include meeting project milestones or achieving a performance indicator related to the project's benefit-cost analysis, such as travel-time savings. ● **Lifecycle costs:** The project's maintenance plan addresses the full lifecycle costs associated with the project.	**High =** the application addresses both accountability measures and lifecycle costs	**Medium =** the application addresses either accountability measures or lifecycle costs	**Low =** the application addresses neither area
Additional consideration			
Project readiness			
The likelihood of successful project delivery and that the project will meet statutory deadlines for certain milestones. (DOT described project readiness in the notice of funding opportunity as an additional consideration that DOT would review.)	**Low risk =** high likelihood that project will meet deadlines	**Moderate risk =** some possibility that project will not meet deadlines	**High risk =** high likelihood that project will not meet deadlines

Source: GAO analysis of the DOT's fiscal year 2020 INFRA evaluation plan and notice of funding opportunity. | GAO-22-104532

DOT also updated the NOFOs to reflect changes it had made to how it would assess the merit criteria. For example, beginning in fiscal year 2019, DOT made its assessment of the Leveraging of Federal Funding merit criterion quantitative. DOT began sorting small and large project applications' non-federal leverage percentages from high to low, then

grouping them into quintiles, and updated the NOFO accordingly.[24] DOT officials told us that DOT intended for this change to simplify DOT's previous use of several qualitative factors, such as whether the project budget included private sector funding, and to make the scores more objective.

DOT Took Some Steps to Clarify How It Would Determine That Applicants Addressed Large Project Requirements

DOT also took some steps to clarify how it would assess whether applicants met the seven large project requirements. For the initial round of funding in fiscal year 2016, the NOFO stated the statutory requirements that projects must meet but generally did not provide information on how to address them specifically.[25] Beginning with the fiscal year 2018 round of funding, DOT provided guidance in the NOFO on what information applicants should include in their applications to address each of the requirements.[26] Specifically, DOT included a table listing each requirement with corresponding guidance.

In the fiscal year 2020 NOFO, DOT further clarified its approach by communicating how it would consider whether an applicant had successfully addressed each requirement. For example, in the fiscal year 2020 NOFO:

- DOT stated it would determine that a project met the cost effectiveness requirement if it found the project's benefit-cost ratio to be equal to or greater than one. Prior to fiscal year 2020, the NOFO had advised applicants to highlight the results of a benefit-cost analysis to show how their project met the requirement.

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[24] DOT officials told us that because DOT simplified this criterion, DOT no longer required a technical team and instead assigned the Quality Control and Oversight team to calculate scores for this criterion.

[25] For example, the requirement that projects be reasonably expected to begin construction no later than 18 months after the obligation of funds is related to the additional consideration of Project Readiness. For the fiscal year 2016 FASTLANE round of funding, applicants received information on how to meet this statutory requirement along with the instructions DOT provided on addressing Project Readiness, rather than through instructions specific to large project requirements.

[26] DOT awarded fiscal year 2017 funds to large projects under a joint NOFO with the fiscal year 2018 funds.
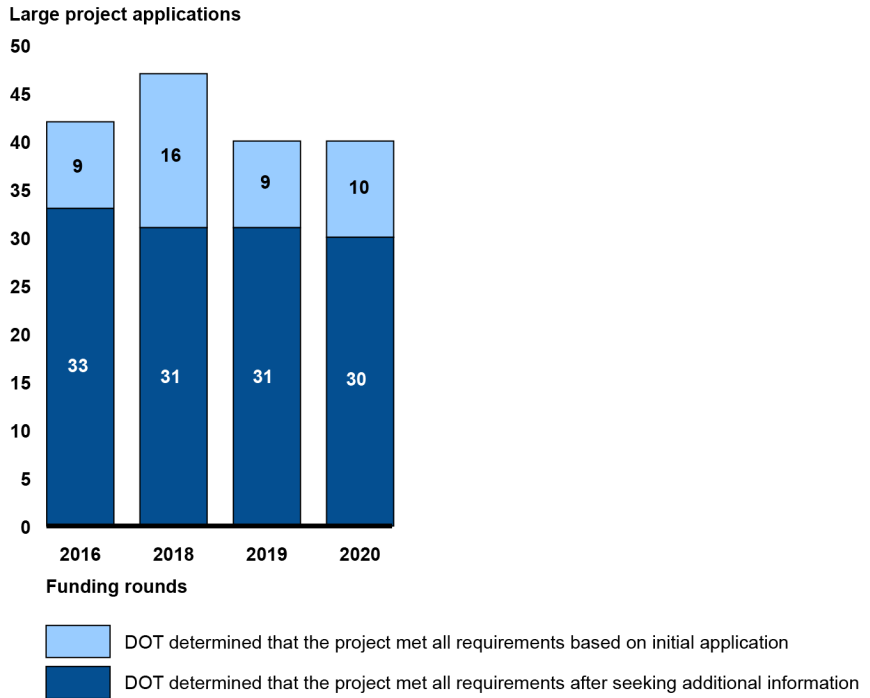
- DOT stated that applicants must provide evidence that at least one of a specified list of preliminary engineering activities was complete for a project to meet the requirement that a project be based on the results of preliminary engineering. Prior to fiscal year 2020, the NOFO had advised applicants to provide evidence of preliminary engineering.

- DOT stated it would consider the degree to which funding sources were dedicated and highly likely to be available as part of determining whether a project has stable non-federal funding. Prior to fiscal year 2020, the NOFO had advised applicants to indicate funding sources and amounts for project costs.

DOT officials told us that they provided this additional information to improve large project applicants' understanding of how to demonstrate that their projects were meeting the statutory requirements. The officials intended these changes to lead to less applicant follow-up by DOT being needed. The officials further explained that conducting follow-up is a time- and resource-intensive process, and they are unable to follow-up with all applicants due to resource constraints.

DOT Has Not Systematically Analyzed How It Could Further Clarify Large Project Requirements to Applicants

DOT's efforts to clarify how applicants can demonstrate that their applications meet the large project statutory requirements have not resulted in much improvement or reduced related follow-up. Specifically, we found that the percentage of applicants initially found by DOT to meet all large project requirements remained below 15 percent across funding rounds since fiscal year 2016. For example, in fiscal year 2020, 13 percent (10 of 77) of large project applicants initially provided information in their applications that DOT determined met all seven requirements. Of the large projects that advanced to the List in each funding round, the number that required follow-up to meet all requirements has remained almost constant since fiscal year 2016 (see fig. 3).

Figure 3: The Department of Transportation's (DOT's) Infrastructure for Rebuilding America (INFRA) Large Project Applications Advancing to the List of Projects for Consideration, Fiscal Years 2016–2020

Large project applications

Funding rounds

■ DOT determined that the project met all requirements based on initial application

■ DOT determined that the project met all requirements after seeking additional information

Source: GAO analysis of DOT data. | GAO-22-104532

Accessible Data Table for Figure 3

	DOT determined that the project met all requirements after seeking additional information	DOT determined that the project met all requirements based on initial application-up
2016	33	9
2018	31	16
2019	31	9
2020	30	10

Note: Large projects were awarded in fiscal year 2016 under the Fostering Advancement in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) program. DOT awarded fiscal year 2017 funds to large projects, under a joint notice of funding opportunity with the fiscal year 2018 funds. Therefore, these large projects are included in the 2018 numbers.

Further, while DOT has provided additional information in the NOFO since the program began to better inform applicants on how to address the large project requirements, DOT has not systematically analyzed information from applicants to determine how to further clarify the NOFO. Federal standards for internal control state that management should use

quality information to achieve the entity's objectives and make informed decisions.[27] In doing so, management should identify information requirements in an iterative and on-going process, obtain relevant data and process that data into quality information. Such an analysis would also align with OMB guidance, which states that to make the application review process transparent and maximize fairness, a NOFO should provide a detailed explanation of statutory criteria.[28]

DOT officials told us that they have not conducted such an analysis because they do not believe it would be useful. Instead, they told us that they use internal discussions with INFRA program staff about what they have learned from a variety of sources to clarify the NOFO. Specifically, DOT officials told us that program staff hold meetings each funding round to propose changes to the NOFO informed by each of their experiences during the preceding funding round. For example, this includes discussion of applicant feedback received during the previous year when responding to applicant questions, hosting webinars, and conducting the debriefings DOT offers to INFRA applicants that did not receive awards.[29] They have also consulted colleagues, such as technical evaluators who assess project cost effectiveness, to seek input on whether clarifications are needed.

However, systematically analyzing available large project applicant information—that is, combining quantitative analyses of data from previous rounds of INFRA applications with qualitative feedback and observations—could complement DOT's existing, informal efforts. Such an analysis could include, for example, an assessment of the requirements most frequently needing follow-up. Similarly, a systematic analysis could identify where DOT's follow-up efforts have assisted applicants with providing information necessary to address large project requirements and help DOT target clarifications to the NOFO in those areas. For example, our analysis of fiscal year 2020 data found that nearly all of the applicants with which DOT followed up about preliminary engineering, the need for federal funding, and construction timeline

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[27] GAO-14-704G.

[28] 2 C.F.R. Part 200, App. I, § E.1, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

[29] When notifying unsuccessful INFRA applicants of selection decisions, DOT offered applicants the chance to schedule a debriefing with DOT officials. Representatives of the five large project applicants that we spoke with told us that they learned additional information about their project's large project determinations during debriefings.

requirements were ultimately determined by DOT to have met those requirements. (See fig. 4.)

Figure 4: Percentage of Infrastructure for Rebuilding America (INFRA) Project Applications That the Department of Transportation (DOT) Determined Met Certain Statutory Requirements after Follow-Up (Fiscal Year 2020)
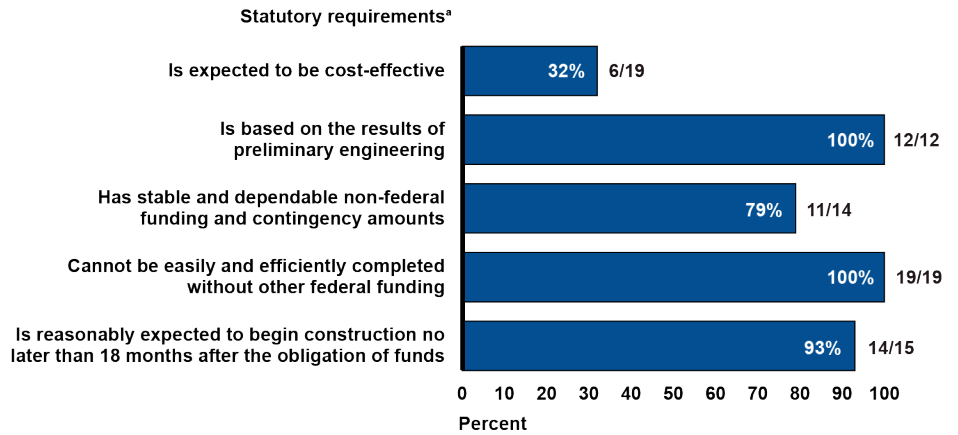
Source: GAO analysis of DOT data. | GAO-22-104532

Accessible Data Table for Figure 4

Statutory requirements[a]	Percent
Is expected to be cost-effective	32% (6/19)
Is based on the results of preliminary engineering	100% (12/12)
Has stable and dependable non-federal funding and contingency amounts	70% (11/14)
Cannot be easily and efficiently completed without other federal funding	100% (19/19)
Is reasonably expected to begin construction no later than 18 months after the obligation of funds	93% (14/15)

[a]Only two and three projects, respectively, received follow-up for the requirements to generate certain benefits and contribute to national transportation system goals in fiscal year 2020.

The success of these follow-up efforts suggests that there are elements of the NOFO that remain unclear to applicants.[30] By systematically analyzing the information provided by applicants during the follow-up process, DOT could obtain insight into why these applicants did not

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[30] DOT officials noted that some large project applicants understand the statutory requirements and choose to apply for a grant even though their projects cannot meet them. We recognize that some applicants may be unable to meet the requirements even with follow-up by DOT.

initially meet these requirements, and what information DOT could clarify in the NOFO. Such an analysis could also help DOT in achieving its intended goal of reducing extensive follow-up activities.

DOT's INFRA Awards Process Lacked Consistency and Transparency

DOT's Process to Develop the List of Projects for Potential Award Was Inconsistent and Lacked Sufficient Documentation

DOT's Senior Review Team changed the way it conducted the List development process in fiscal years 2019 and 2020. In our prior work, we found that the Senior Review Team had chosen which large projects received follow-up to help it determine whether those projects met one or more statutory requirements. However, the rationale for which projects were selected for this opportunity was inconsistent in that similarly-situated applicants were not given the same opportunity to clarify their applications, and the rationale was not transparent as it was not clearly documented.[31]

While the changes to the List development process in 2019 and 2020 were intended to increase consistency and transparency according to DOT officials, we found that the Senior Review Team implemented it in a way that (1) evolved throughout Senior Review, (2) conflicted with parts of the NOFO, and (3) did not consistently apply or document follow-up decisions. We previously made recommendations that could address these issues including that DOT should (1) document key decisions and finalize the evaluation plan prior to the NOFO; (2) provide information to applicants in its NOFO on how, if at all, scores on merit criteria are used to determine whether projects advance to the List and should receive an award; and (3) document the specific rationale for requesting follow-up if similar project applicants were not afforded that opportunity for follow-up. As discussed below, DOT has not yet implemented these recommendations.

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[31] GAO-19-541.

<u>Process Evolved throughout Senior Review</u>

In 2019 and 2020, the List development process consisted of rules developed by the Senior Review Team members to determine which large projects would receive follow-up from among those that the Quality Control and Oversight Team had determined needed "additional information" for one or more statutory requirements. For example, one rule adopted in fiscal year 2020 called for follow-up with all large projects that had a benefit-cost ratio equal to or greater than 1.0 as long as the project also did not have the lowest possible scores on the Innovation and Performance and Accountability merit criteria as well as the additional consideration of Project Readiness.

The Senior Review Team also developed rules to determine which small projects advanced to the List in fiscal years 2019 and 2020. Prior to the fiscal year 2019 round of funding, all eligible small projects were added to the List, as they are not subject to the large project statutory requirements. DOT officials stated these changes were made in response to our prior recommendations to bring additional consistency and transparency to the process for advancing projects for potential award.

However, according to emails we reviewed, the List development process evolved until the very end of Senior Review in both fiscal year 2019 and 2020. As summarized below, during each funding cycle, the official leading the List development process proposed a new rule as the List was being finalized, which resulted in a few projects being added to the List.

- In fiscal year 2020, the official circulated an email after the List had been developed in the final Senior Review Team meeting, asking members to vote on adoption of an additional rule that added small projects that had previously been excluded from the List.[32] The official asked members to vote by email that same morning. As a result of the vote, the team added three small projects, one of which received one of the six awards to small projects in fiscal year 2020.

- In fiscal year 2019, the official circulated an email the day before the List was finalized and asked Senior Review Team members to vote on whether they believed two specific large projects met statutory

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[32] The proposed rule was designed to add projects to the List for states that did not already have two projects on the List. To be added, a project had to meet a number of merit criteria requirements, including that it did not receive the lowest score on four merit criteria.

requirements. For each of those projects, the Quality Control and Oversight Team had been unable to affirm whether one of the statutory requirements had been met. The Senior Review Team voted for both to advance, and one received one of the 10 large project awards.

DOT did not develop any parameters or documentation for how rules should be proposed and adopted. A DOT official stated that any Senior Review Team member could propose rules for the team to consider at any time during Senior Review Team meetings. The Senior Review Team implemented this process at the beginning of Senior Review, as DOT had not developed guidance in evaluation plan for how Senior Review Team members should develop the List.

We previously recommended that DOT finalize its evaluation plan prior to publishing the NOFO, as DOT's Financial Guide requires.[33] DOT partially implemented this recommendation in fiscal years 2019 and 2020 by finalizing certain portions of the evaluation plan. However, DOT did not provide information on how Senior Review Team members should develop the List. Instead, the evaluation plan states that the Deputy Secretary or his designee would provide additional written guidance on how to assemble the List prior to the start of Senior Review. However, this guidance was not developed for either funding cycle. When asked why, INFRA program officials told us they did not know.

In addition, we generally have little insight into the specific reasons rules and decisions were made throughout the Senior Review process because DOT did not document key decisions throughout as we recommended in our prior work.[34] For example, DOT did not document the results of the 2019 and 2020 email votes taken by the Senior Review Team as the List was finalized. Further, we have limited insight into why specific rules were proposed, as the reasons were not documented. Without complete documentation, there is limited transparency of the application review and selection process.

Use of Merit Criteria Conflicted with Parts of the NOFO

Some of the rules the Senior Review Team adopted during the List development process emphasized certain merit criteria for a project to be

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[33] GAO-18-38.

[34] GAO-18-38.

included on the List, which conflicted with the evaluation process outlined in the fiscal year 2019 and 2020 NOFOs. While these NOFOs stated that DOT would not weight merit criteria or require that applications address every criterion, some of the rules adopted by the Senior Review Team weighted certain criteria, which affected whether a project advanced to the List.

For example, when the Senior Review team established a rule in 2019 that excluded small projects that did not have a benefit-cost ratio equal to or greater than 1.0, some small projects with multiple high scores on other criteria were eliminated from the list.[35] Other projects, with a slightly higher benefit-cost ratio in the range of 1.0 to 1.5, were included even though they also had low scores on multiple other criteria. DOT officials noted that the FAST Act directs the Secretary to consider the cost effectiveness of small projects. However, how DOT considered cost effectiveness—by weighting this criterion—was inconsistent with the NOFO.

OMB guidance states that in order to make the application process transparent and to maximize the fairness of the process, a NOFO should clearly describe if the criteria used to evaluate applicants vary in importance and, if so, specify the relative percentages, weights, or other means used to distinguish among them. In practice, DOT can consider a project's cost effectiveness or any other criterion more important than others and still follow OMB guidance as long as DOT informs applicants which criteria are weighted.

DOT officials acknowledged in our interviews that certain scores for certain criteria can and do play bigger roles in a given funding cycle. They said that they do not believe this approach conflicts with the NOFO because the NOFO indicates that applicants should strive to score highly on all criteria. However, informing applicants to strive for high scores on all criteria is notably different from informing applicants that their projects will be excluded from consideration if they do not meet certain merit score thresholds. The latter is the type of information that would "help an applicant make an informed decision about whether to submit a proposal"—and therefore constitutes information OMB guidance requires

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[35] DOT added other rules that allowed certain small projects without a benefit-cost ratio equal to or greater than 1.0 to advance to the List. For example, one rule added these projects if there were a low degree of confidence in the benefit-cost ratio score, which added ten more projects to the List.

be included in a NOFO.[36] Because the NOFO states that merit criteria are not weighted, applicants weaker in certain areas such as the benefit-cost ratio may not accurately assess the strength of their application before taking on the expense of applying for an INFRA grant.

We have previously identified concerns with the way DOT described its use of merit criteria in the NOFO. In our 2019 report, we found that the NOFO was not clear on how merit criteria were used for award selection. We recommended that DOT provide information in the NOFO on how scores on merit criteria are used, if at all, to determine whether projects advance to the Secretary for consideration and which projects receive an award. DOT has not yet taken action to implement this recommendation.[37] DOT officials said that in their opinion, the expectation that they determine how merit criteria will be used in advance is too rigid because they do not know how many applications they will receive or what the quality of those applications will be. However, all federal grant awarding agencies face this same challenge and yet still are advised to provide in their funding announcements the information called for in OMB guidance.

Consistency and Documentation of Follow-Up Decisions

While the changes to the List development process were important steps for helping DOT treat similarly-situated applicants the same, we found that they did not fully eliminate consistency and transparency problems when assembling the List. Specifically, DOT developed rules for when follow-up should be conducted and when small projects should be added to the List. In fiscal year 2020, as we were able to identify how all large projects made the List of Projects for Consideration, including identifying the rule that provided the basis for large projects that received follow-up in that round of funding and made the List. However, in fiscal year 2019, DOT added one large project to the List though the initial follow-up documentation showed that the applicant still did not address one of the large project requirements. DOT officials told us that they recalled that the project was discussed in a Senior Review Team meeting and that the team agreed to add it to the List. However, this discussion and the decision to add this project outside of the List development process rules

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[36] 2 C.F.R. Part 200, App. I.

[37] GAO-19-541.

were not documented in the Senior Review Team's meeting notes or the tracking spreadsheet, and the project was awarded an INFRA grant.

We also found that DOT sometimes conducted multiple follow-up efforts with some applicants when initial follow-up did not result in a finding that the applicant successfully addressed a statutory requirement, but did not do so with others. For example, in fiscal year 2019, DOT officials told us that a member of the Senior Review Team and a Quality Control and Oversight official met to decide which applicants would receive multiple follow-ups, and they selected 11 applicants.[38] DOT did not document this meeting, so there is no record of why these applicants were chosen. The Senior Review team added eight of the projects to the List, and the Secretary awarded funds to three of these projects. We have previously recommended that DOT ensure that it documented the rationale for requesting additional information from applicants when similarly-situated applicants are not afforded the same opportunity.[39]

DOT's Rationale for Selecting Some Projects for Award Remains Unclear

We continue to lack insight into the rationale for DOT's award selections, as we have found in previous reviews of the INFRA program. DOT's approach to award selection lacks clarity about how DOT determines which projects to award and how scores ultimately affect award decisions. Furthermore, DOT's documentation of its awards decision does not describe why projects are selected over others.

First, based on our review of DOT documentation for fiscal years 2019 and 2020, it continues to be unclear how DOT determines which projects to award. DOT's Financial Guide directs DOT offices to develop policies and procedures for submitting recommended awards to the Secretary for approval. In its interpretation of the guidance, DOT designed the INFRA program in such a way that the Senior Review Team does not develop recommendations for award but instead provides a large List of projects to the Secretary for consideration. The Secretary then identifies the projects for award. The List is organized by state (with the states in alphabetical order) and includes the proposed projects, relevant statutory

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[38] According to Senior Review Team Meeting Notes, the Team asked the Quality Control and Oversight team to conduct additional follow-up in order to add more large projects to the List but did not dictate who would receive additional follow-up.

[39] GAO-19-541.

characteristics (e.g., rural or urban), and their merit and Project Readiness scores. In addition, DOT officials also told us that they make the INFRA tracking spreadsheet with all of the evaluation material available to the Secretary and the Secretary's staff, but they were unaware of how, if at all, the information is used.

While DOT has some discretion on how it awards these grants, this approach to proposing projects for the Secretary's consideration does not provide insight into how projects were selected for award. For example, the Senior Review Team does not suggest a way for the Secretary to assess how a particular application fares across multiple criteria and against competing projects when reviewing the List. Our past work on other DOT discretionary grant programs has identified approaches used by Senior Review Teams to increase the transparency of selections and to provide insight to the Secretary on how potential projects compared to one another. For example, Senior Review Teams in one grant program provided a proposed award list to the Secretary based on objective criteria, and in another grant program, they ranked projects into tiers based on multiple merit considerations.[40]

Second, as we found in previous reviews, the extent to which DOT considers scores from its technical evaluations when making award selections is also unclear. For example:

- **Multiple low scores.** Some projects that received awards had multiple low scores, raising questions about why they were selected over other projects. For example, DOT selected three projects with low scores for multiple criteria for award in fiscal year 2020. For each of these three projects, at least four of the seven scores related to merit criteria and Project Readiness were the lowest possible for that criterion or the second lowest (if that criterion had four or five possible scores).

- **Projects did not address all criteria.** The NOFO states that DOT expects competitive applicants to substantively address all merit criteria, but some projects DOT selected did not do so. In fiscal year 2020, five of the 20 selected projects (25 percent) did not address either the Innovation or the Performance and Accountability criteria. In fiscal year 2019, eight of the 20 selected projects did not address one of those two criteria (40 percent) and four of the eight failed to address both (20 percent).

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[40] GAO-11-283 and GAO-11-234.

Third, while DOT documented the benefits that each selected project is expected to provide in its selection memo, it does not state why any of those projects were selected over other projects as recommended by DOT's Financial Guide.[41] Instead, the selection memo acknowledges that some projects were selected despite low scores and provides broadly-worded explanations as to why. Specifically, in fiscal year 2020:

- According to the selection memo, DOT selected one large project, based on the project's positive mobility benefits in a rural region. However, the memo does not explain why this project was selected over seven other large rural projects that we identified on the List—all of which had higher merit scores—that were not selected.

- According to the selection memo, DOT selected another large project with multiple low scores based on the project's mobility and safety benefits, as reflected in its benefit-cost ratio. However, this project had the second lowest possible score for the benefit-cost ratio, and DOT's confidence in the score was low.[42] Further, the memo stated that DOT was confident that the local Federal Highway Administration division could work with the sponsor to mitigate the risk of its moderate Project Readiness score. These statements do not explain why the project was selected over other projects that had low risk scores.

As mentioned, we have previously made recommendations related to improving consistency and transparency in the INFRA program.[43] If fully implemented, these recommendations would address the issues we discuss above. We will continue to monitor the status of our recommendations as DOT takes actions to address them.

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[41] DOT, *Guide to Financial Assistance* (Washington, D.C.: October 2019).

[42] According to the 2020 evaluation plan, a low score means that the technical review team had a relatively low degree of confidence in the assigned rating. This could result from (1) a lack of information provided in the applicant's benefit-cost analysis, (2) inherent uncertainty in the key inputs to the analysis, (3) a significant portion of the project's expected benefits being unquantifiable, or (4) unusual project types or elements that go beyond the expertise of reviewers.

[43] GAO-18-38 and GAO-19-541.

DOT's Oversight Did Not Detect or Correct Inaccurate or Incomplete INFRA Application Evaluations

We found that the Quality Control and Oversight Team did not detect or correct inaccurately recorded merit scores and large project determinations for some of the projects it evaluated in 2019 and 2020. Specifically, of the 368 total projects that DOT evaluated in 2019 and 2020, we identified 39 projects with inaccurate or incomplete evaluations and found that some of these evaluations had multiple errors. DOT advanced 23 of these projects to the Secretary for award consideration and seven were selected for awards. Thus, seven of the 40 projects (18 percent) DOT awarded in 2019 and 2020 had inaccurate or incomplete evaluations.

In the INFRA evaluation plan, DOT designates the Quality Control and Oversight team as the oversight body for the application evaluation and selection process and charges it with several key responsibilities. Specifically, the plan charges the Quality Control and Oversight team with reviewing applications to ensure consistency and high-quality documentation of merit criteria reviews, ensuring that analyses include sufficient information and quality for Senior Review, and ensuring that evaluations are completed in accordance with INFRA guidelines. The plan also gives the Quality Control and Oversight team responsibility for making and documenting preliminary large project determinations (whether the projects meet the seven statutory requirements for large projects), conducting follow-up if needed to help make these determinations, and documenting final large project determinations.

To carry out responsibilities outlined in the evaluation plan, technical reviewers used the INFRA tracking spreadsheet to document merit and Project Readiness scores and large project determinations. With each score or determination, the technical reviewers also wrote a justification narrative, which provided the evidence and reasoning behind the score or the determination. According to DOT officials, in order to conduct oversight activities, technical team leads—who are members of the Quality Control and Oversight team—provided guidance to the evaluators on their respective teams on how to assign scores fairly and in accordance with the criteria, and reviewed scores for consistency.

However, we found that technical reviewers inaccurately recorded some project scores and determinations and that some of the narratives used to justify the scores and determinations were incomplete.[44] DOT's Financial Guide states that a grant application review process should include how oversight takes place to ensure a consistent review of applications.[45] Further, according to federal standards for internal control, agencies should identify deficiencies through monitoring activities and determine appropriate corrective actions to remedy these deficiencies.[46] Since the Quality Control and Oversight team did not detect or correct the inaccurate and incomplete evaluation documentation, erroneous information was used when the Senior Review team advanced projects to the List and when the Secretary selected projects.

Across the application information we reviewed, we identified the following errors—which were confirmed by DOT officials—and found that some project evaluations had multiple errors across and within these categories:

- **Inaccurate merit scores.** We found 18 projects (and 19 instances) where merit scores were entered incorrectly in the tracking spreadsheet. For six projects, DOT recorded merit scores that were higher than they should have been, according to DOT's merit criteria definitions. The Senior Review Team advanced five of these projects on the List to the Secretary, and the Secretary awarded funds to two projects. In addition, DOT recorded merit scores for 13 projects that were lower than they should have been according to DOT's definitions. DOT awarded funds to three of these projects. One of the 13 projects did not advance to the List but would have met the needed merit score threshold to advance if its merit score had been recorded accurately based on the Senior Review Team's List development process rules. DOT officials stated that some errors in merit scores were a result of team leads mistakenly entering the wrong score in the tracking spreadsheet.

- **Incomplete merit narrative justifications.** We identified three projects where the narrative justifications for the merit score were incomplete in the tracking spreadsheet. For example, one project in fiscal year 2020 had a high Innovation score and the supporting

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[44] See appendix I for more information on our methodology.

[45] DOT, *Guide to Financial Assistance* (Washington, D.C., October 2019).

[46] GAO-14-704G.

narrative described what the evaluator found but did not indicate whether this criterion was met. When DOT officials were asked about the accuracy of this score, they acknowledged that the narrative should have indicated that this criterion was met.

- **Inaccurate large project determinations.** The Quality Control and Oversight team incorrectly recorded determinations for three large projects documenting that they had met a requirement in the tracking spreadsheet when they had not. The Senior Review Team advanced one of these projects to the List, and the project could have been selected for an award by the Secretary.[47]

- **Incomplete large project determination narrative justifications.** We found nine projects (14 instances) where a large project determination was not supported by its accompanying justification narrative in the tracking spreadsheet, in some instances because follow-up activities were not documented. For example, the Quality Control and Oversight team determined that two large projects met the requirement for preliminary engineering after follow-up, but the narrative justification for these determinations indicated that the requirement was not met.

- **Some determinations were both recorded inaccurately and had incomplete narrative justifications.** In addition, we found nine projects (and 12 instances) on the fiscal year 2019 List with both inaccurate and incomplete information pertaining to large project requirements. All nine of these projects appeared to be ineligible in the tracking spreadsheet, because neither the recorded large project determinations nor their narrative justifications showed that they met all large project requirements. DOT awarded funds to four of these projects. DOT officials told us that these projects met all statutory requirements, but they had not updated the tracking spreadsheet with the evidence they had obtained during follow-up.

DOT did not detect errors because it has not developed an oversight approach that details how it will conduct quality control activities to ensure accurate and complete evaluations throughout the INFRA process. Such an approach could include an accuracy assessment to check the link between recorded scores and determinations and the supporting evidence. In the absence of such an approach, DOT officials told us that they did not attempt to check scores comprehensively, determinations, or narratives for accuracy and completeness. While the INFRA evaluation plan makes clear that the Quality Control and Oversight team was

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[47] DOT did not award funds to this project.

responsible for ensuring application evaluations were consistent, sufficiently documented, and of high-quality, it provides very broad guidance and does not detail how it will provide this assurance. Further, it does not include any discussion of how large project determinations will be overseen—determinations, which as noted above, are made by the Quality Control and Oversight team.

DOT officials told us that they did not fully define how oversight activities would be conducted because they did not think it was necessary, particularly given that they faced time and resource constraints in systematically reviewing all applications for accuracy. However, DOT's Financial Guide emphasizes the importance of quality control in the application review. Specifically, the guidance states that oversight needs to take place to ensure a consistent review of applications. Without an approach that specifically defines quality control and oversight activities for the INFRA program that will enable the Quality Control and Oversight team to consistently address and detect evaluation errors, the Secretary may continue to receive and consider inaccurate evaluation information, raising the risk that an ineligible project would be selected.

In addition, part of the limitations of DOT's oversight of this program may stem from a lack of department-wide guidance on how to oversee discretionary grant programs. We previously reported that DOT lacks clear department-wide requirements in the evaluation guidance for DOT discretionary grant programs—including what the requirements should be for the oversight of the evaluation process.[48] DOT concurred with our prior recommendation to, among other things, issue department-wide requirements on how discretionary programs will be overseen, but as of February 2022, DOT has yet to implement it.

Conclusions

Competitive discretionary grant programs, such as DOT's INFRA program, are a useful tool for targeting federal spending to areas of national and regional significance. Given that the application requests for INFRA program funding have consistently outpaced the number of available grant awards, it continues to be essential that DOT's award process is consistent and transparent. DOT has taken steps to improve the INFRA selection and award process in these areas. However, we

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[48] GAO-17-20.

observed many of the same challenges as we have found in our previous reporting on the INFRA program, including that applicants lack certain information that could help them make better informed decisions about whether to apply for an INFRA grant. Without changes to the INFRA program—including implementation of our previous recommendations—it is likely that the INFRA application evaluation and grant award process will continue to lack consistency and transparency.

Beyond improving the consistency and transparency of the program, DOT faces additional obstacles to assuring fairness in its evaluation and award process. First, though DOT has taken steps to improve the clarity of the NOFO, it has made limited progress reducing follow-up with applicants—a key source of inconsistency in the INFRA program. By systematically analyzing the information provided by applicants during the follow-up process, the debrief activities, and other interactions with applicants, as well as the data available on which requirements applicants do not initially meet, DOT could obtain insight into what information DOT could clarify in the NOFOs. Such clarification would better provide all applicants with the same information on how to meet application requirements, improving the fairness of the process. Second, DOT has not developed specific procedures that clearly indicate how it will provide quality control in its oversight of the application evaluation process. In the absence of well-defined oversight roles and responsibilities, DOT is at risk of making awards based on incorrectly recorded information, which increases the risk that an ineligible project could be awarded funds. Moreover, this could put the credibility of the award process at risk. By clarifying both application requirements and how oversight should be conducted, DOT can be better positioned to help ensure that INFRA grant awards are best meeting the nation's transportation needs.

Recommendations for Executive Action

We are making the following two recommendations to DOT:

The Secretary of Transportation should ensure that INFRA officials systematically analyze available quantitative data and qualitative information from applicants and use the results of that analysis to determine how to clarify the large project requirements in the NOFO. (Recommendation 1)

The Secretary of Transportation should ensure that INFRA officials provide direction on how oversight activities are to be conducted during
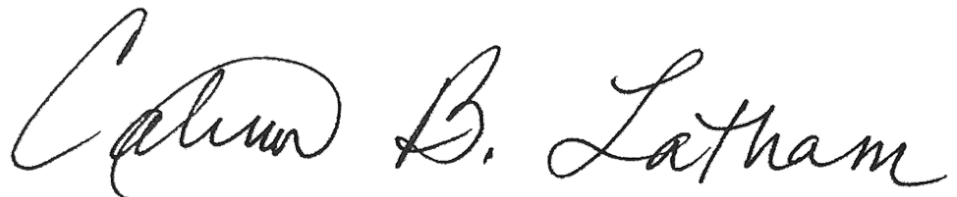
the application review process and that such activities are designed to routinely detect and correct evaluation errors and verify that evaluation documentation is complete. (Recommendation 2)

Agency Comments

We provided a draft of this report to DOT for review and comment. In comments, reproduced in appendix III, DOT concurred with our recommendations. DOT also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Secretary of Transportation. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or lathamC@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

Catina B. Latham
Acting Director, Physical Infrastructure

List of Committees

The Honorable Maria Cantwell
Chair
The Honorable Roger F. Wicker
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Thomas R. Carper
Chairman
The Honorable Shelley Moore Capito
Ranking Member
Committee on Environment and Public Works
United States Senate

The Honorable Peter DeFazio
Chairman
The Honorable Sam Graves
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

The Honorable Eleanor Holmes Norton
Chair
The Honorable Rodney Davis
Ranking Member
Subcommittee on Highways and Transit
Committee on Transportation and Infrastructure
House of Representatives

Appendix I: Objectives, Scope, and Methodology

This report assesses the Infrastructure for Rebuilding America (INFRA) program and the extent to which the Department of Transportation (DOT) has (1) taken steps to clarify to applicants how it will evaluate grant applications, (2) implemented a consistent and transparent process for advancing and selecting projects for awards, and (3) provided oversight for the grant application review process and ensured that DOT grant application evaluations were accurate and complete.

For all objectives, we reviewed our prior work on DOT's various discretionary grant programs, including the INFRA program's implementation.[1] We also conducted an analysis of an internal INFRA tracking spreadsheet showing the results of DOT's grant application evaluations for the fiscal year 2019 and fiscal year 2020 rounds of the INFRA program. Our spreadsheet analysis included project scores based on merit criteria and the additional consideration of Project Readiness and large project determinations, along with narratives explaining the rationale for those scores and determinations.[2]

- For all 193 and 175 applications that DOT evaluated in fiscal years 2019 and 2020, respectively, we reviewed the tracking spreadsheet

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[1] GAO, *Discretionary Transportation Grants: Actions Needed to Improve Consistency and Transparency in DOT's Application Evaluations*, GAO-19-541 (Washington, D.C.: June 26, 2019); GAO, *Discretionary Transportation Grants: DOT Should Take Actions to Improve the Selection of Freight and Highway Projects,* GAO-18-38 (Washington, D.C.: Nov. 2, 2017); GAO, *DOT Discretionary Grants: Problems with Hurricane Sandy Transit Grant Selection Process Highlight the Need for Additional Accountability*, GAO-17-20, (Washington, D.C.: Dec. 14, 2016); *Surface Transportation: Actions Needed to Improve Documentation of Key Decisions in the TIGER Discretionary Grant Program*, GAO-14-628R, (Washington, D.C.: May 28, 2014); *Surface Transportation: Competitive Grant Programs Could Benefit from Increased Performance Focus and Better Documentation of Key Decisions*, GAO-11-234, (Washington, D.C.: Mar. 30, 2011); and *Intercity Passenger Rail: Recording Clearer Reasons for Awards Decisions Would Improve Otherwise Good Grantmaking Practices,* GAO-11-283, (Washington, D.C.: Mar. 10, 2011).

[2] DOT established four merit criteria and scored Project Readiness as an additional consideration. In order to be eligible for INFRA funding, the Secretary of Transportation must determine that projects categorized as large meet seven requirements described in the Fixing America's Surface Transportation Act (FAST Act).

fields describing each project's scores, determinations for large projects, and associated narratives. Specifically, we compared the narratives' underlying scores and large project determinations to understand how DOT conducted consistency reviews. In doing so, we found incomplete evaluations and inaccuracies that DOT did not detect.[3] We compared these scores to DOT's evaluation plan for scoring applicants. We requested that DOT provide more information on 75 projects (49 merit scores and 55 large project determinations). These represented all potential inaccuracies and inconsistencies we identified for both fiscal years, as well as all potential instances of incomplete documentation we identified for fiscal year 2020. DOT confirmed 39 projects (34 instances of inaccuracies and 29 instances of incomplete evaluations), and provided additional information that addressed the remaining potential inaccuracies and inconsistencies.

- We further used the tracking spreadsheet to conduct in-depth reviews of all tracking spreadsheet fields for all of the 40 projects awarded in either fiscal year 2019 or 2020. To better understand DOT's evaluation and selection process, we also reviewed a sample of 22 non-awarded projects in those years (7 and 15 non-awarded projects, respectively) including some that had advanced to consideration for possible award. We selected all non-awarded projects that had one or more of the following characteristics: high scores, DOT re-scoped them to remove elements that DOT found could not meet a statutory requirement, DOT advanced them to increase geographic diversity, or DOT's reason for advancing a project was unclear without further examination of the tracking spreadsheet. In addition to reviewing score and determination information for these projects as described above, we reviewed fields related to the amount of funding requested, award amounts, and eligibility. While our observations about the awarded and non-selected projects are not generalizable to all projects DOT considered for funding, they provide insight on how DOT evaluated and advanced projects for potential award.

- We also analyzed the share of projects that DOT determined had met certain requirements for fiscal year 2020 large project applications.

- To assess the reliability of DOT's tracking spreadsheet, we interviewed DOT officials and conducted checks of data, such as comparing the information from the tracking spreadsheet against documents presented to the Secretary to identify any discrepancies. While we identified instances in which DOT incorrectly recorded merit

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[3] We did not attempt to identify every inaccuracy or instance of incomplete documentation in our review of the tracking spreadsheet.

criteria scores and large project determinations, we found the data were sufficiently reliable for the purpose of understanding how DOT evaluated projects.

We also interviewed DOT staff with diverse responsibilities, including: (1) those who conducted technical evaluations of INFRA grant applications against criteria established by DOT, (2) those responsible for overseeing the process, and (3) a senior official responsible for deciding which projects to forward to the Secretary of Transportation. We asked these staff how they conducted evaluations and documented the results.

For the technical review staff, we selected a non-representative sample of staff from each of the five teams that reviewed projects against criteria to ensure diversity with respect to areas of expertise and INFRA experience, for a total of five interviews. For the largest team of technical review staff, specifically Economic Vitality, we further selected staff from DOT's Office of the Secretary, Federal Highway Administration, Federal Railroad Administration, United States Maritime Administration, and the Volpe National Transportation Systems Center to ensure modal diversity. Ultimately, we interviewed two staff that conducted Leveraging of Federal Funding reviews and six to nine staff from the remaining technical teams. For senior officials, we were able to interview the official who led the Senior Review Team meetings to determine which projects to forward to the Secretary in fiscal year 2020. The official who led Senior Review Team meetings in fiscal year 2019 was no longer with DOT at the time of our review.

To obtain applicant perspectives on the process and on the large project requirements, we interviewed five applicants that submitted applications for a large project in both fiscal year 2019 and 2020. We selected applicants to ensure diversity in experience with having been determined by DOT to meet large project requirements and in award status. The results of our interviews provide insight into applicants' experience with the INFRA process and their understanding of the large project requirements, but are not generalizable. Because our focus was on the statutory requirements applying only to large project applicants, we did not interview small project applicants.

To assess the extent to which DOT has taken steps to clarify to applicants how it will evaluate grant applications, we reviewed the Fixing America's Surface Transportation Act (FAST Act) requirements and DOT's INFRA evaluation plans for fiscal years 2019 and 2020 that described how DOT staff should evaluate the projects against the FAST

Act requirements and criteria established by DOT. We reviewed the March 2, 2016, July 5, 2017, December, 21, 2018, and January 22, 2020 notices of funding opportunity (NOFOs) announcing the availability of INFRA funds for fiscal years 2016–2020. We also reviewed the program's key objectives and the criteria DOT would use to evaluate the projects proposed in the grant applications. We reviewed DOT's changes to the NOFOs across those fiscal years and discussed with DOT officials the process for clarifying the NOFOs. We also reviewed data gathered during our previous reviews of the program.[4] We then compared DOT's process for identifying what information in the NOFOs should be clarified against *Standards for Internal Control in the Federal Government* related to quality information—specifically the principle that management should use quality information to achieve the entity's objectives—and against the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.[5]

To assess the extent to which DOT implemented a consistent and transparent process for advancing and selecting projects for awards, we compared DOT's processes for evaluating fiscal year 2019 and 2020 applications to requirements and best practices related to consistency and transparency in the administration of discretionary grant programs identified in the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and DOT's Financial Assistance Guidance Manual (DOT's Financial Guide).[6] To assess DOT's process against these criteria, we conducted document reviews and interviewed DOT staff and one Senior Review Team official. Specifically, for our document reviews, we evaluated the NOFOs, DOT's documentation of senior officials' decisions to advance projects for consideration by the Secretary; the compilation of projects selected by senior reviewers for consideration for possible award (List of projects for consideration); and selection memos documenting which projects the

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[4] GAO-19-541 and GAO-18-38.

[5] GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014) and 2 C.F.R. Part 200 and App. I to Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

[6] 2 C.F.R. Part 200 and App. I to Part 200 and DOT, *Guide to Financial Assistance* (Washington, D.C.: October 2019). DOT's *Financial Assistance Guidance Manual* (Washington, D.C., December 2016) was in effect for fiscal year 2019 INFRA awards. For the purposes of this report, the guidance was similar except where noted otherwise.

Secretary selected for award for both fiscal year 2019 and 2020. In addition to assessing DOT's process against the above criteria, we also evaluated the extent to which changes DOT made to its process for fiscal year 2019 and 2020 applications addressed some of our previous recommendations on consistency and transparency.[7]

To assess the extent to which DOT provided oversight for the grant application review process and ensured that grant application evaluations were accurate and complete, we compared the INFRA oversight process as described in the evaluation plans to DOT's Financial Guide and to *Standards for Internal Control in the Federal Government*—specifically the principles that management should identify deficiencies through monitoring activities and determine appropriate corrective actions to remedy these deficiencies.[8]

We conducted this performance audit from September 2020 to April 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[7] GAO-18-38 and GAO-19-541.

[8] GAO-14-704G.

Appendix II: Key Statistics for INFRA Awards, Fiscal Years 2016–2020

In 2015, the Fixing America's Surface Transportation Act (FAST Act) authorized what is now the Infrastructure for Rebuilding America (INFRA) program, to provide financial assistance for highway and freight projects of national or regional significance. As part of this authorization, the FAST Act establishes eligible project types to include highways, ports, grade crossings, and railroads. In making the selections, the FAST Act requires that for each fiscal year, the Secretary provide at least 10 percent of available funds for small projects, and at least 25 percent of available funds for projects in a rural area. In addition, the FAST Act requires that the Secretary must consider geographic diversity during the selection process.

From fiscal year 2016 through fiscal year 2020, the Department of Transportation (DOT) awarded a total of more than $4 billion to 94 projects as part of the INFRA program.

This appendix contains graphs and a map showing key statistics of awarded INFRA projects from fiscal year 2016 through fiscal year 2020 captured in DOT information. We provide information on project numbers and funding amounts (fig. 5), project type (fig. 6), and project locations (fig. 7 and fig. 8).

Figure 5: Funding Amount and Number of Awarded Infrastructure for Rebuilding America (INFRA) Projects by Project Size Fiscal Years 2016–2020
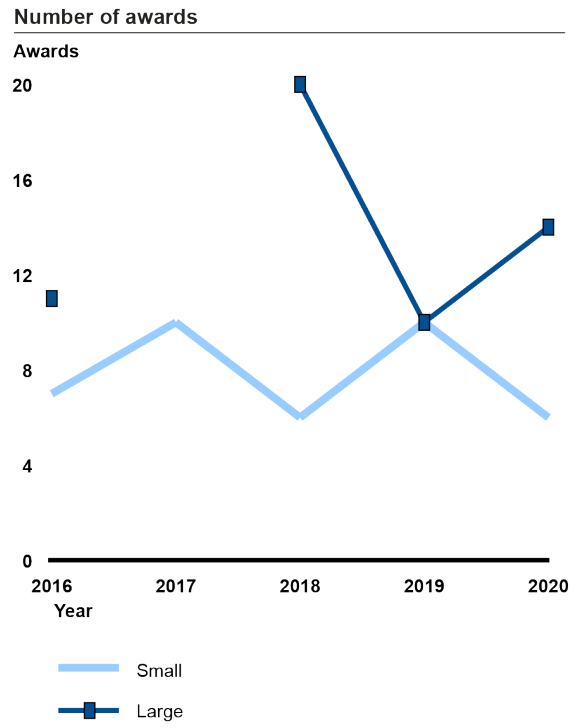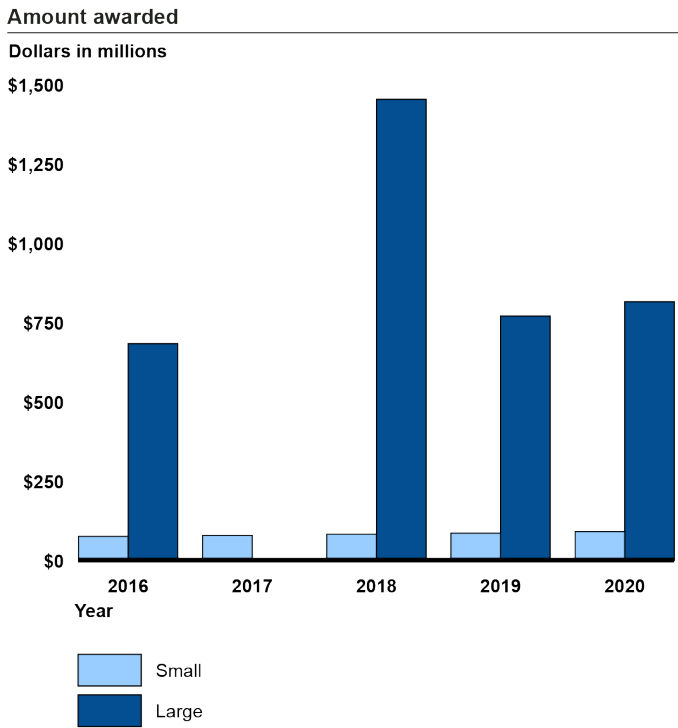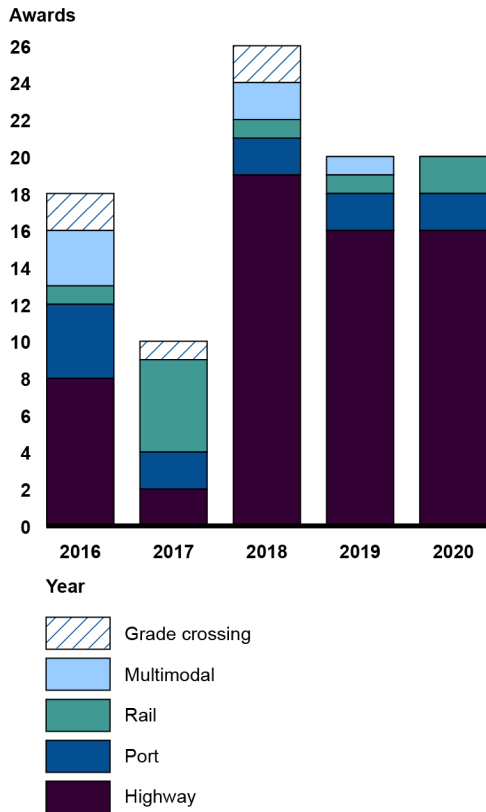

Source: GAO assessment of Department of Transportation information. | GAO-22-104532

Accessible Data Table for Figure 5

	Amount awarded (dollars in millions)		Number of awards	
Year	Small	Large	Small	Large
2016	$76	$683	7	11
201	$79	-	10	-
2018	$83	$1,453	6	20
2019	$86	$770	10	10
2020	$91	$815	6	14

Note: The Department of Transportation awarded fiscal year 2017 funds to large projects under a notice of funding opportunity with the fiscal year 2018 funds. Therefore, these large projects are included in the 2018 numbers. The minimum project size for large projects was the lesser of $100 million or 30 percent of a state's previous fiscal year statutorily determined federal-aid apportionment if the project is located in one state, or 50 percent of the larger participating state's previous fiscal year apportionment for projects located in more than one state. A small project is an eligible project that does not meet the minimum project size for a large project.

Figure 6: Number of Infrastructure for Rebuilding America (INFRA) Grant Awards by Project Type, Fiscal Years 2016–2020
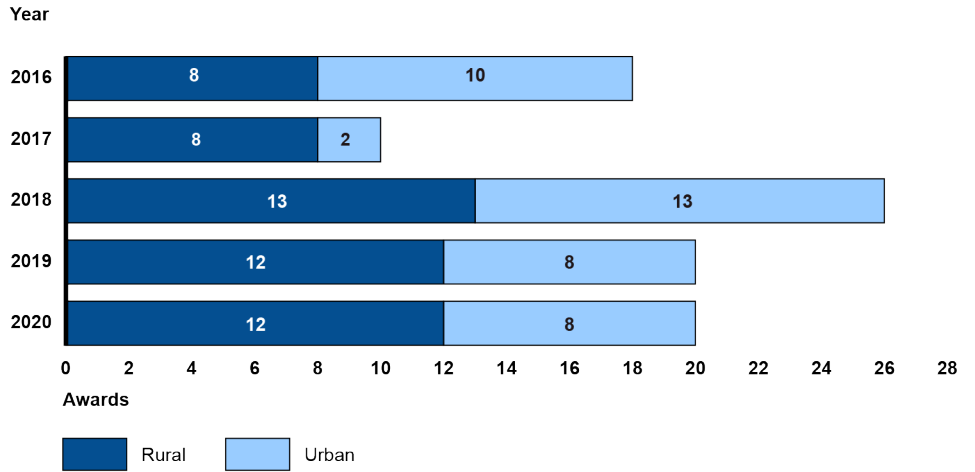

Source: GAO assessment of Department of Transportation information. | GAO-22-104532

Accessible Data Table for Figure 6

Year	Highway	Port	Rail	Multimodal	Grade Crossing
2016	8	4	1	3	2
2017	2	2	5	0	1
2018	19	2	1	2	2
2019	16	2	1	1	0
2020	16	2	2	0	0

Figure 7: Number of Infrastructure for Rebuilding America (INFRA) Grant Awards by Project Location, Fiscal Years 2016–2020
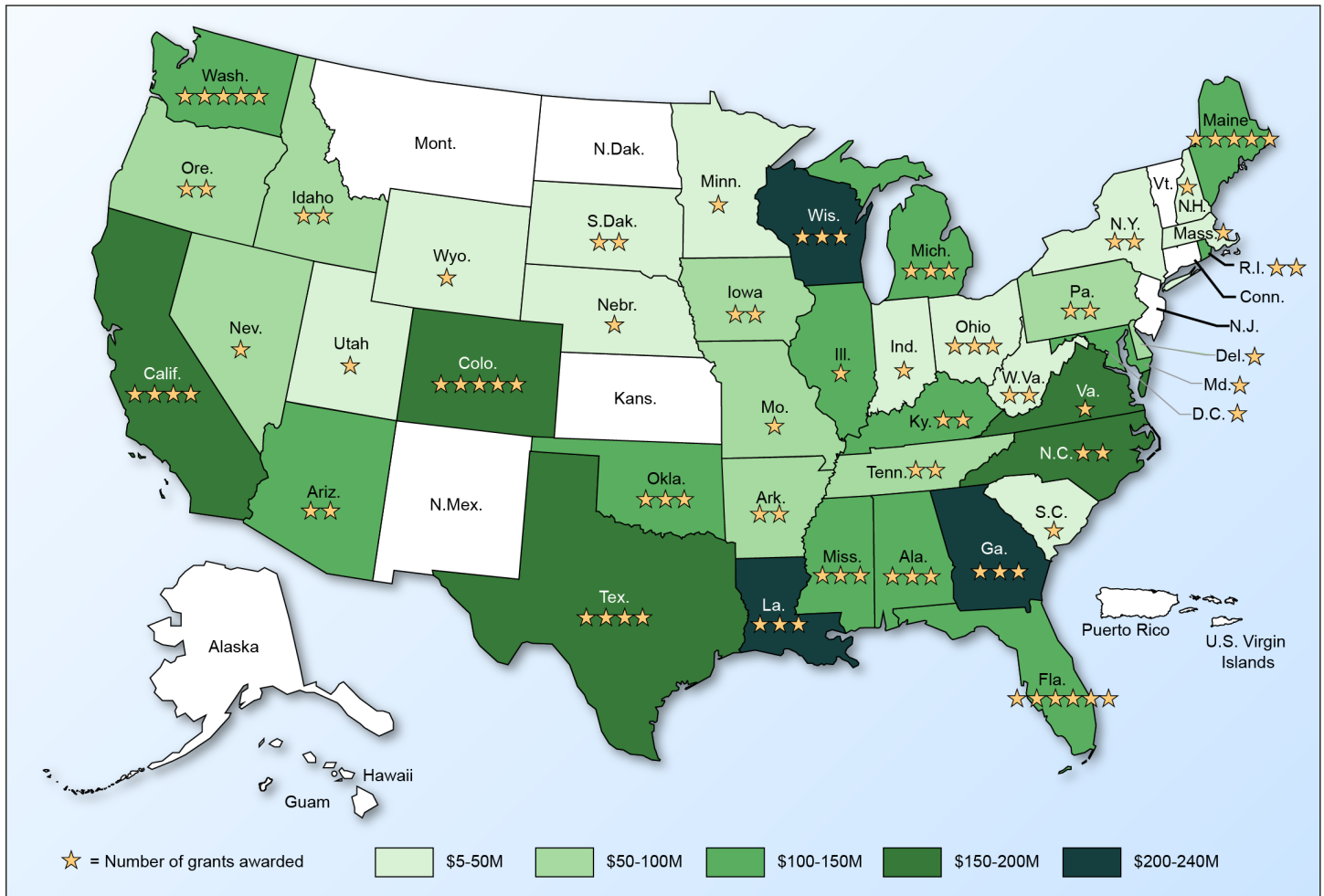

Source: GAO assessment of Department of Transportation information. | GAO-22-104532

Accessible Data Table for Figure 7

	2016	2017	2018	2019	2020
Rural	8	8	13	12	12
Urban	10	2	13	8	8

Figure 8: Geographic Distribution of Infrastructure for Rebuilding America (INFRA) Grant Awards and Funding Amounts, Fiscal Years 2016-2020

Source: GAO assessment of Department of Transportation information and Map Resources (map). | GAO-22-104532

Accessible Data Table for Figure 8

State	Funding amount	Number of grants awarded
Alabama	$137,895,657.00	3
Alaska		0
Arizona	$144,000,000.00	2
Arkansas	$50,516,259.00	2
California	$196,280,000.00	4
Colorado	$171,309,886.50	5
Connecticut		0
Delaware	$56,807,160.00	1

State	Funding amount	Number of grants awarded
District of Columbia	$90,000,000.00	1
Florida	$144,359,421.50	6
Georgia	$233,124,447.00	3
Guam		0
Hawaii		0
Idaho	$95,340,000.00	2
Illinois	$132,034,680.00	1
Indiana	$9,850,000.00	1
Iowa	$75,650,000.00	2
Kansas		0
Kentucky	$122,595,000.00	2
Louisiana	$240,000,000.00	3
Maine	$114,755,673.00	5
Maryland	$125,000,000.00	1
Massachusetts	$42,000,000.00	1
Michigan	$127,864,465.00	3
Minnesota	$40,000,000.00	1
Mississippi	$131,400,000.00	3
Missouri	$81,200,000.00	1
Montana		0
Nebraska	$18,263,743.00	1
Nevada	$50,000,000.00	1
New Hampshire	$5,000,000.00	1
New Jersey		0
New Mexico		0
New York	$42,672,590.00	2
North Carolina	$172,264,000.00	2
North Dakota		0
Ohio	$30,986,200.00	3
Oklahoma	$113,189,327.00	3
Oregon	$71,400,000.00	2
Pennsylvania	$60,610,410.00	2
Puerto Rico		0
Rhode Island	$125,355,000.00	2
South Carolina	$34,597,743.00	1
South Dakota	$34,010,000.00	2
Tennessee	$82,396,998.00	2

State	Funding amount	Number of grants awarded
Texas	$160,247,000.00	4
U.S. Virgin Islands		0
Utah	$25,000,000.00	1
Vermont		0
Virginia	$165,000,000.00	1
Washington	$140,224,340.00	5
West Virginia	$21,400,000.00	2
Wisconsin	$206,750,000.00	3
Wyoming	$14,000,000.00	1

Appendix III: Comments from the Department of Transportation

U.S. Department of Transportation

Office of the Secretary
of Transportation

Assistant Secretary
for Administration

1200 New Jersey Ave., SE
Washington, DC 20590

March 15, 2022

Catina B. Latham
Acting Director, Physical Infrastructure
U.S. Government Accountability Office (GAO)
441 G Street NW
Washington, DC 20548

Dear Ms. Latham:

The U.S. Department of Transportation is committed to implementing competitive discretionary grant programs, such as the Infrastructure for Rebuilding America (INFRA) program, consistent with Congressional direction to provide Federal financial assistance to projects of national or regional significance. The Department agrees that these grants are a useful tool for targeting federal investment where it will generate broad public benefits and achieve important national policy objectives. With the passage of the President's Bipartisan Infrastructure Law, Congress has provided an unprecedented level of new resources for the Department to deploy through the competitive discretionary grant process.

The Department agrees that consistency, transparency, and fairness are important to ensuring ongoing support for competitive discretionary grant programs. We are aware of the GAO's open recommendations for the INFRA program and will continue to work with Congress and GAO to improve program administration and advance these key principles.

Upon review of the GAO's draft report, we concur with the two recommendations to (1) systematically analyze available quantitative data and qualitative information from applicants to determine how to clarify large project requirements and (2) provide direction on how oversight activities will be conducted and ensure that such activities are designed to routinely detect and correct evaluation errors and verify that evaluation documentation is complete. We will provide a detailed response to each recommendation within 180 days of the report's final issuance.

We appreciate the opportunity to respond to the GAO draft report. Please contact Keeva Scrivner, Deputy Director, Audit Relations and Program Improvement, at (202) 366-9243 with any questions or if you would like to obtain additional details.

Sincerely,

Philip McNamara
Assistant Secretary for Administration

Agency Comment Letter

Text of Appendix III: Comments from the Department of Transportation

<u>Page 1</u>

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Acting Director, Physical Infrastructure
U.S. Government Accountability Office (GAO)
441 G Street NW
Washington, DC 20548

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Sincerely,
Philip McNamara
Assistant Secretary for Administration

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Catina B. Latham, (202) 512-2834 or lathamc@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Matt Voit (Assistant Director); Amy Higgins (Analyst in Charge); Steven Cohen; Geoffrey Hamilton; Delwen Jones; Chloe Kay; Malika Rice; Kelly Rubin; and Shane Spencer made key contributions to this report.

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