



OFFICE OF INSPECTOR GENERAL



DEPARTMENT OF THE INTERIOR

RECOVERY OVERSIGHT ADVISORY

A Critical Point Evaluation Product

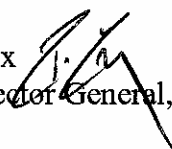


**RECOVERY OVERSIGHT OFFICE**

Washington, DC 20240

JAN 14 2010

To: Robert V. Abbey
Director, Bureau of Land Management

From: Robert A. Knox 
Assistant Inspector General, Recovery Oversight Office

Subject: Recovery Oversight Advisory – Bureau of Land Management State Office Early Implementation Efforts and Project Tracking (ROO-ROA-BLM-3001-2010)

To safeguard taxpayer dollars, Congress provided us with funding to oversee and ensure accountability of the \$3 billion appropriated to the Department of the Interior (the Department) in the American Recovery and Reinvestment Act of 2009 (Recovery Act). We are focused on: preventing fraud, waste, and mismanagement; reducing misuse of dollars through early detection; and ensuring transparency in our oversight efforts. In our effort to collaborate with the Department, this memorandum highlights our observations of planning efforts of many of the State Offices within the Bureau of Land Management (BLM or Bureau). Overall we found that State Offices did not have a sense of urgency in meeting the obligation deadlines established under the Recovery Act, possibly accounting for the Bureau's substantially lower obligation rate compared to other DOI bureaus.

We found three factors impeding progress:

- Priority was not given to Recovery Act projects, when obligating appropriated funds;
- Failure to conduct early, preliminary planning for Recovery Act projects;
- Miscommunication between headquarters and the states concerning the release of additional Bureau-wide Recovery Act guidance.

We also found that tracking of Recovery Act projects varied widely by state, complicating the ability to extract information for bureau-wide summaries. In some instances, staff was required to expend substantial effort collecting data to respond to data calls, which further prolonged the implementation of Recovery Act projects. Of special note, however, is the project management system established by the Nevada State Office, which we highlight as a quality practice for other BLM State Offices to consider adopting in order to increase efficiencies in project tracking and reporting.

Please provide a written response to this advisory within 30 days of receipt detailing the corrective actions BLM will implement to meet our recommendations, as well as targeted completion dates.

We will also post this advisory on our website (www.doioig.gov) and Recovery.gov. Information contained in this advisory may also be included in our semi-annual report to Congress. Please contact me with any questions.

Background

BLM was allocated approximately \$320 million under the Recovery Act, which requires all agencies to obligate the majority of funds by September 30, 2010. On February 20, 2009, the Department directed bureaus to develop a list of projects, and associated data, that they planned to finance with Recovery Act funds. These lists were to be submitted to the Department by March 2, 2009. BLM's initial project list included approximately 650 projects. In a review of FedBizOps.gov announcements, however, we found that as of June 29, 2009, only 10 listings for BLM Recovery Act projects had been posted to the site, a significantly lower number of Recovery Act listings compared to other bureaus.¹ For this reason, we sought to learn the status of Recovery Act projects within BLM and to understand the systems used by BLM State Offices to track and manage their Recovery Act workload.

We interviewed Recovery Act coordinators from eight BLM State Offices: Arizona, California, Colorado, Nevada, New Mexico, Oregon, Utah, and Wyoming. We also interviewed the BLM Recovery Act Coordinator in Washington, D.C. We conducted all interviews by telephone except for a personal meeting with the Colorado State Office Coordinators.

Prioritizing Obligation of Funds

The key goal of the Recovery Act is to *quickly* stimulate the economy, leading to the creation of the largest number of jobs in the *shortest period of time*, while also focusing on projects of lasting value to the country. We learned from the BLM Recovery Act Coordinator that BLM's goal was to have 90 percent of Recovery Act projects obligated by July 1, 2010, and 70 percent *completed* by the obligation deadline of September 30, 2010. From our conversations with BLM staff, however, we noted a "business as usual" approach to working on Recovery Act projects, where obligating appropriated funds for routine projects was prioritized over obligating Recovery Act funds. There existed a general lack of urgency in meeting the Recovery Act's obligation deadline, much less the Bureau's internal goals.

Pre-Planning Process

Many state coordinators said so few listings had been posted to FedBizOps.gov because they had only received their Recovery Act funding at the end of May 2009. They explained they were in the preliminary planning process, which included finalizing project statements of work, hiring additional personnel to help with the workload, working on National Environmental Policy Act (NEPA) requirements and other project related prerequisites, and negotiating which

¹ Since our interviews, the Department has begun issuing weekly Recovery Act Obligations/Outlays reports. As of September 4, 2009, BLM had only obligated 6.73 percent of its Recovery Act funds, nearly half of the next lowest obligation rate of 11.98 percent at the U.S. Geological Survey. Additionally, we reviewed BLM's report to the Department dated October 23, 2009 and found that the amount of funds obligated in several states was still quite low. For example, only about 12 percent of funds had been obligated by September 30, 2009, for projects in California, Colorado and New Mexico.

Recovery Act projects would be handled through the BLM National Operations Center. While these preliminary planning activities are advisable, we believe State Offices would be better positioned to meet the obligation deadline had they started these activities earlier in the year when they began developing their project lists.

Recovery Act Guidance

Two state coordinators told us they were waiting to work on Recovery Act related contract actions because they expected to receive additional guidance from Headquarters on clauses to be included in contracts. We pointed this out to the BLM Recovery Act Coordinator in Washington D.C., who informed us that his office was developing a guide on recipient reporting to help make the mandatory, newly issued Recovery Act clauses easier to explain. He said there was no expectation that State Offices would hold up their projects while waiting for that guidance. After we talked to the BLM Recovery Act Coordinator, he sent an email to state coordinators on July 9, 2009, clarifying that they should not delay the processing of contracting actions and emphasizing that Recovery Act contracts should be executed as soon as possible. Given this late clarification, however, it is likely that season-specific projects, such as trails maintenance, managed by these two states have been postponed unnecessarily.

Project Tracking

We are concerned about inconsistent project tracking methodologies across BLM. Under the Recovery Act, federal agencies are subject to an unparalleled level of transparency, which requires the ability to carefully track and report on Recovery Act projects. Decentralized, informal methods for tracking projects often require staff to spend substantial time and effort collecting data and manipulating spreadsheets to respond to data calls. This could complicate Bureau-wide reporting efforts and takes time away from implementing Recovery Act projects.

The BLM Recovery Act Coordinator told us that the Bureau has adapted a database to collect Recovery Act data from a variety of sources. Financial data is pulled directly from the Bureau's Financial and Business Management System (FBMS), while information on accomplishments and hours comes from the Activity Based Cost (ABC) system. Project data that cannot be collected from either FBMS or ABC is supplied in a spreadsheet by each State Office that can be downloaded from BLM's intranet site; data elements include the project phase, the status of NEPA compliance requirements, permits/consultation status, and a 250-word project status update. State Recovery Act Coordinators submit their spreadsheets to the BLM Recovery Act Coordinator's office in Washington D.C., where the information is compiled and entered manually into the database.

Each state official we spoke with was aware, to a varying degree, of the Bureau-level process described above and that they would be required to submit additional data through templates provided on the intranet site.² We found, however, that state-level methods for managing and tracking Recovery Act projects vary widely. Methods for tracking projects range

² During the timeframe of our interviews, the Bureau-wide plan for tracking projects was still being developed; thus, some State Recovery Act Coordinators were more aware than others of the process and what it would entail depending on when we spoke with them.

from somewhat informal decentralized processes that rely on the use of spreadsheets created and maintained by various program managers in State Field Offices, to comprehensive, interactive, web-based systems with real-time reporting capabilities.

Nevada State Office Example

A tracking system that deserves to be highlighted is the one used by BLM staff in Nevada. Last year, the Deputy State Director, Division of Support Services, implemented this comprehensive web-based document management system to track projects within the state. After the Recovery Act was passed, the Deputy State Director developed the Nevada Recovery Act site, a parallel system dedicated solely to tracking Recovery Act projects in the state. Project leads throughout the state use the web-based portal to submit weekly employee expenditures, a narrative summary of their project's progress, workload accomplishments, photographs showing significant project milestones, and project status plans that include estimated completion dates and milestones, as well as procurement types and estimated quantities of each procurement. The system also includes an alert function that notifies responsible staff (including field project managers, procurement staff, and Recovery Act coordinators), when a project has been changed in the system. Additionally, if reporting requirements change, templates within the system are easily amended to capture the new information quickly. According to the Deputy State Director, the system has opened up lines of communication between Field Offices and the State Office, and has significantly reduced the time and effort staff spends responding to data calls and reporting requirements.

We were impressed with the Nevada Recovery Act site, and in follow-up conversations with the BLM Recovery Act Coordinator, we were pleased to learn that he had asked the Nevada Deputy State Director, Division of Support Services, to give a presentation to other BLM State Recovery Act Coordinators, requiring them to adopt the system or a similar one. We also learned that BLM has taken steps to accelerate implementation of Recovery Act projects in response to the Department's recently revised goal of mobilizing Recovery Act projects by June 30, 2010. The BLM Assistant Director, Business and Fiscal Resources, issued an Instruction Memorandum (IM) dated October 29, 2009, that sets deadlines for Project Managers to submit procurement requests to State procurement offices and the National Operations Center.³ The IM details deadlines and estimated acquisition lead times for various types of Recovery Act projects, and outlines the consequences of failing to submit complete acquisition packages by the deadlines.

³ IM No. 2010-012

Recommendations

We recommend:

1. All State Offices develop detailed work plans that ensure routine appropriated fund activities do not take precedence or impede the progress of Recovery Act activities.

cc: Deputy Secretary, Department of the Interior
Senior Advisor to the Secretary for Economic Recovery and Stimulus
Assistant Secretary – Policy, Management, and Budget
Director, Office of Acquisition and Property Management
Director, Office of Financial Management
Recovery Coordinator, Bureau of Land Management
Departmental GAO/OIG Audit Liaison
Audit Liaison, Office of the Secretary
Audit Liaison, Bureau of Land Management

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