

The Supporting Statement

FHWA Major Project Financial Plans and Project Management Plans

Introduction:

FHWA Major Project Financial Plans and Project Management Plans

Major projects are defined in section 106(h) of title 23, United States Code (U.S.C.), as projects receiving Federal financial assistance with an estimated total cost of \$500,000,000, or other projects as may be identified by the Secretary. Major projects are typically large, complex projects designed to address major highway needs and require the investment of significant financial resources. Section 106(h) of title 23 requires project sponsors of major projects to prepare and submit a project management plan and an annual financial plan to FHWA. These plans help FHWA to ensure that effective project management and financial management techniques are being utilized on major projects.

Section 106(i) of title 23 requires project sponsors of other projects with an estimated total cost of \$100,000,000 or more that is not covered by subsection (h) to prepare annual financial plans that are to be made available to the Secretary for review upon the request of the Secretary.

This is a new clearance request. FHWA has collected this information in the past without approval from OMB.

Part A. Justification.

1. Circumstances that make collection of information necessary:

The preparation of financial and project management plans for major projects are required by 23 U.S.C 106(h). **Project management plan**, as required by 23 U.S.C. 106(h)(2), ensures that clearly defined roles, responsibilities, procedures and processes are in effect to provide timely information to the project decisionmakers to effectively manage the scope, costs, schedules, quality of, and the Federal requirements applicable to, the project. The project management plan serves as a guide for implementing the major project and documents assumptions and decisions regarding communication, management processes, execution and overall project control.

Annual financial plans for major projects are required by 23 U.S.C. 106(h)(3) and are required by 23 U.S.C. 106(i) for other projects with an estimated total cost of \$100,000,000 or more that are not covered by subsection (h) by to ensure that the necessary financial resources are identified, available, and monitored throughout the life of the project. An annual financial plan is a comprehensive document that reflects the project's scope, schedule, cost estimate, and funding structure to provide reasonable assurance that there will be sufficient funding available to implement and complete the entire project, or a fundable phase of the project, as planned.

This IC supports two DOT Strategic Goals, Safety and State of Good Repair. The projects that are outlined as part of the financial plan and project management plan will support the development and delivery of highway projects. These projects address safety and other improvements to keep the traveling public safe and keep the highway system in a good state of repair. This IC also helps ensure that projects are developed and delivered efficiently by applying sound project management and financial principles.

2. How, by whom, and for what purpose is the information used:

For major projects, the FHWA Office of Innovative Program Delivery Project Delivery Team collects this information to understand how a project sponsor will deliver a project and to track and monitor the performance of major projects. Since federal funds are used on these projects, FHWA stewardship responsibilities are to ensure that those federal funds are being used efficiently and in the public interest. Information includes up to date project details, cost, schedule, and project risks. Detailed guidance has been developed to assist project sponsors in developing the plans. The information from the documents is used to populate the FHWA Active Project Status Report and informs the annual Report to Congress on Major Projects.

For other projects with an estimated total cost of \$100,000,000 or more that are not covered by subsection (h), FHWA Division Offices collect this information to understand how a project sponsor will deliver a project and to track and monitor the performance of these projects. Since federal funds are used on these projects, FHWA stewardship responsibilities are to ensure that those federal funds are being used efficiently and in the public interest. Information includes up to date project details, cost, schedule, and project risks. Detailed guidance has been developed to assist project sponsors in developing the plans.

3. Extent of automated information collection:

Financial and project management plans are submitted as Microsoft Word or Portable Document Format (pdf) files via email.

4. Efforts to identify duplication:

The information requested by this IC is typically maintained by project sponsors for other purposes such as their project management efforts. Some project sponsors provide project updates on project specific websites. However, this information is not consistently provided or readily available at the same level of detail across all major projects on websites. In some cases, similar information is not readily available from the project sponsors. The information already maintained by project sponsors can be used to inform the development of the project management and financial plans. FHWA has developed guidance to outline the information that should be contained within the financial and project management plans.

5. Efforts to minimize the burden on small businesses:

This IC does not apply to small businesses. Project sponsors prepare and submit financial and project management plans. These sponsors are typically public transportation agencies or large private entities that deliver projects with an estimated cost exceeding \$100 million.

6. Impact of less frequent collection of information:

This IC is required by 23 U.S.C 106(h) and 106(i). Project management and financial plans must be submitted by project sponsors to meet Federal law. Financial plans are required annually until project construction is completed. Financial information is constantly being updated during the life of a project. Less frequent preparation of the plan would not provide reliable information that is necessary to monitor project performance. Annual reports of financial information are reasonable for understanding changes and managing the project. Project management plans are required once during the life of the project. The project management plan may be updated if significant changes to the project occur during construction.

7. Special circumstances:

No special circumstances apply to this IC.

8. Compliance with 5 CFR 1320.8:

A Federal Register Notice published on Wednesday, September 3, 2014 (FR 79/170 page 52407) solicited public comments. No comments were received.

9. Payments or gifts to respondents:

There will be no payments or gifts to respondents.

10. Assurance of confidentiality:

There is no assurance of confidentiality. This information will be used in FHWA reporting and is subject to the Freedom of Information Act.

11. Justification for collection of sensitive information:

No sensitive information is collected.

12. Estimate of burden hours for information requested:

Financial Plans

- Number of respondents: Approximately 40 project sponsors per year.
- Frequency of responses: The financial plan will be prepared annually.
- Estimated individual burdens: Approximately 40 hours for the preparation of the plan.
- Total estimated burden hours: Approximately 40 plans prepared each year. For a total of approximately, 1,600 hours each year.
- Annualized cost to respondents for the hourly burdens, based on wage rate categories: Approximately \$2000 for the submittal of each plan. Thus the annualized cost to respondents is \$80,000. This hourly burden assumes a wage rate of \$50.

Project Management Plans

- Number of respondents: Approximately 20 project sponsors per year.
- Frequency of responses: Once during the life of the project.
- Estimated individual burdens: Approximately 40 hours for the preparation of the plan.
- Total estimated burden hours: Approximately 20 plans prepared each year. For a total of approximately, 800 hours each year.
- Annualized cost to respondents for the hourly burdens, based on wage rate categories: Approximately \$1000 for the submittal of each plan. Thus the annualized cost to respondents is \$40,000. This hourly burden assumes a wage rate of \$50.

ICR Totals:

- Total Respondents: 60
- Total Burden Hours: 2,400

13. Estimate of total annual costs to respondents:

\$0 - No capital/start-up and operation/maintenance cost is anticipated.

14. Estimate of cost to the Federal government:

The cost to the Federal government includes the salary cost to review and approve the documents. On average about 8 hours are required for the review of this IC and the average staff hourly rate is \$50. The cost to the government is estimated at \$80,000.

15. Explanation of program changes or adjustments:

This is a new information collection. Therefore, this is a program change.

16. Publication of results of data collection:

The results of the IC in its entirety are not published. However, some of the information provided IC is used to populate the FHWA Active Major Project Status Report which is updated monthly and the annual Report to Congress on Major Projects that is dated September 30 of each year.

17. Approval for not displaying the expiration date of OMB approval:

There are no reasons that the display of OMB's expiration date would be inappropriate.

18. Exceptions to certification statement:

No circumstance would require OST not to apply certification to this collection.