UNITED STATES DEPARTMENT OF COMMERCE Office of Inspector General

Washington, D.C. 20230

August 28, 2009

MEMORANDUM FOR:

Laura A. Cesario

Chief, Grants and Agreements Management Division

National Institute of Standards and Technology

Marc G. Stanley

Director, Technology Innovation Program National Institute of Standards and Technology

Patricia A. Montanio

Director, Office of Habitat Conservation

Judith J. Gordon

National Oceanic and Atmospheric Administration

FROM:

Judith J. Gordon

Principal Assistant Inspector General for Audit and Evaluation

SUBJECT:

Review of the Solicitation, Selection, and Pre-Award Processes for

Recovery Act Grants Awarded by NIST and NOAA

We are reviewing NIST and NOAA grants funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act). NIST received \$180 million for a competitive grant program for the construction of research science buildings. Subsequently, NIST awarded grants to four recipients (approximately \$56 million) based on unfunded meritorious proposals received in the FY 2008 competition. NIST plans to make further grants (approximately \$120 million) under a new FY 2009 competition. Additionally, NOAA received \$167 million for the Office of Habitat Conservation for competitive financial assistance awards to promote marine and coastal habitat restoration. NOAA awarded 50 cooperative agreements in FY 2009.

Since April 2009, we have had discussions with both NIST and NOAA about their processes for the solicitation, selection, and pre-award phases of Recovery Act funded awards. We will evaluate these processes to determine whether the grants were awarded competitively in accordance with Department of Commerce requirements. Based on our findings, we will suggest best practices or areas of improvement for NIST's FY 2009 Recovery Act competition and future NOAA competition for non-Recovery Act work.

We have already met with key staff to discuss our objectives, scope, and methodology as well as the specific documentation we needed for the review. We intend to issue a flash report that combines our review of the NIST and NOAA awards. If you have any questions about this review, please contact me at (202) 482-2754 or Ann Eilers at (202) 482-4328.

cc: Christopher Doley, NOAA Restoration Center, Chief Stella Fiotes, NIST Chief Facilities Management Officer Barbara Lambis, NIST Senior Policy and Operations Advisor Linda Beth Schilling, NIST Project Management Office, Director Ellen Herbst, Senior Advisor for Recovery Implementation Mark Cato, NOAA, Audit Liaison Stephen Willett, NIST, Audit Liaison Katherine Fletcher, NIST ARRA Liaison