



CITY OF
PORTLAND, OREGON
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INTEROFFICE MEMORANDUM

TO: Bureau Directors

FROM: Linda Meng, City Attorney *LM*
Benjamin Walters, Chief Deputy City Attorney *BW*

SUBJECT: American Recovery and Reinvestment Act of 2009
General Guidance

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009, (ARRA). Under the ARRA, Congress appropriated over \$570 billion in new federal spending programs for economic stimulus. ARRA funds are being made available to local governments through an assortment of formula distributions and competitive grants. ARRA funds are beginning to arrive in Portland through formula distributions through the State of Oregon, and more ARRA funds are anticipated.

The receipt and use of ARRA funds by the City will trigger contractual and grant requirements, including accounting and financial reporting requirements. In addition, ARRA imposes some specific contractual and grant conditions and reporting requirements that are outlined in Title XV Accountability and Transparency and Title XVI General Provisions of the Act. All contracts and grants involving the use of funds made available under the ARRA must include provisions described in the ARRA, in addition to the standard terms and conditions typically used by federal and state agencies for contracts, grants, and other types of agreements involving the use of federal funds.

Contracts and grant agreements that the City will be executing with federal and state agencies will impose requirements for compliance with ARRA requirements upon the City. In turn, the City will need to develop and implement bid specifications and contract provisions to assure compliance by contractors, and to allow the City itself to achieve compliance. Some City bureaus are accustomed to working within the environment of federal funding and compliance with federal requirements. For other bureaus this will pose new operating conditions. For some aspects of ARRA compliance, the City itself will be obligated, including all of the various bureaus.



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The City's task will be to administer contracts that include reporting tools, monitoring procedures, and accountability requirements that will help prevent fraud, waste, and abuse of ARRA funds. Bureaus will need to ensure that ARRA funds are spent properly, efficiently, and effectively, and are meeting intended goals. This will require that these contracts are overseen by an adequate number of trained purchasing and grant personnel. The federal government has been clear that it will be devoting significant resources for monitoring ARRA compliance. At its most extreme, the most significant risk is being required to repay ARRA funds to the federal government for failure to comply with requirements for the ARRA award and expenditures.

We have prepared a summary of the various conditions that will come with ARRA funding. The summary is attached. Much of this overview was developed from guidelines issued by the federal Office of Management and Budget to federal agencies. In turn, the various federal agencies are developing their own guidelines and requirements. Some of these are beginning to trickle out to the States as first tier recipients of the ARRA funds. However, final aspects of some of these guidelines and conditions will not be available to the City until we are presented with the contracts or grant agreements, or as State agencies begin to issue bid specification modifications. The guidance provided in the overview is not intended to be exhaustive, nor final. We will be happy to work with you as specific questions arise.

BW:CoP

Attachment

cc: Mayor Sam Adams
City Commissioners
City Auditor
ARRA Working Group