§ 5327. Project management oversight

(a) Project Management Plan Requirements.— To receive United States Government financial assistance for a major capital project under this chapter or the National Capital Transportation Act of 1969 (Public Law 91–143, 83 Stat. 320), a recipient must prepare and carry out a project management plan approved by the Secretary of Transportation. The plan shall provide for—

(1) adequate recipient staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;

(2) a budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits, and miscellaneous payments the recipient may be prepared to justify;

(3) a construction schedule for the project;

(4) a document control procedure and recordkeeping system;

(5) a change order procedure that includes a documented, systematic approach to the handling of construction change orders;

(6) organizational structures, management skills, and staffing levels required throughout the construction phase;

(7) quality control and quality assurance functions, procedures, and responsibilities for construction, system installation, and integration of system components;

(8) material testing policies and procedures;

(9) internal plan implementation and reporting requirements;

(10) criteria and procedures to be used for testing the operational system or its major components;

(11) periodic updates of the plan, especially related to project budget and project schedule, financing, ridership estimates, and the status of local efforts to enhance ridership where ridership estimates partly depend on the success of those efforts;

(12) the recipient’s commitment to submit a project budget and project schedule to the Secretary each month; and

(13) safety and security management.

(b) Plan Approval.—

(1) The Secretary shall approve a plan not later than 60 days after it is submitted. If the approval cannot be completed within 60 days, the Secretary shall notify the recipient, explain the reasons for the delay, and estimate the additional time that will be required.

(2) The Secretary shall inform the recipient of the reasons when a plan is disapproved.

(c) Limitations.—

(1) Limitations on use of available amounts.— Of the amounts made available to carry out this chapter for a fiscal year, the Secretary may use not more than the following amounts to make contracts for the activities described in paragraph (2):

(A) 0.5 percent of amounts made available to carry out section 5305.

(B) 0.75 percent of amounts made available to carry out section 5307.

(C) 1 percent of amounts made available to carry out section 5309.

(D) 0.5 percent of amounts made available to carry out section 5310.

(E) 0.5 percent of amounts made available to carry out section 5311.

(F) 0.5 percent of amounts made available to carry out section 5320.

(2) Activities.— Paragraph (1) shall apply to the following:
(A) Activities to oversee the construction of a major project.

(B) Activities to review and audit the safety and security, procurement, management, and financial compliance of a recipient or subrecipient of funds under sections 5305, 5307, 5309, 5310, 5311, and 5320.

(C) Activities to provide technical assistance to correct deficiencies identified in compliance reviews and audits carried out under this section.

(3) Limitations on applicability.— Subsections (a), (b), and (e) do not apply to contracts under this section for activities described in paragraphs (2)(B) and (2)(C).

(4) Government’s share of costs.— The Government shall pay the entire cost of carrying out a contract under this subsection.

(5) Availability of certain funds.— Beginning in fiscal year 2006, funds available under paragraph (1)(C) shall be made available to the Secretary before allocating the funds appropriated to carry out any project under a full funding grant agreement or project construction grant agreement.

(d) Access to Sites and Records.— Each recipient of assistance under this chapter or section 14(b) of the National Capital Transportation Act of 1969 (Public Law 91–143, 83 Stat. 320), as added by section 2 of the National Capital Transportation Amendments of 1979 (Public Law 96–184, 93 Stat. 1320), shall provide the Secretary and a contractor the Secretary chooses under subsection (c) of this section with access to the construction sites and records of the recipient when reasonably necessary.

(e) Regulations.— The Secretary shall prescribe regulations necessary to carry out this section. The regulations shall include—

(1) a definition of “major capital project” for subsection (c) of this section that excludes a project to acquire rolling stock or to maintain or rehabilitate a vehicle; and

(2) a requirement that oversight begin during the preliminary engineering stage of a project, unless the Secretary finds it more appropriate to begin the oversight during another stage of the project, to maximize the transportation benefits and cost savings associated with project management oversight.

(f) Financial Plan.— A recipient of financial assistance for a project under this chapter with an estimated total cost of $1,000,000,000 or more shall submit to the Secretary an annual financial plan for the project. The plan shall be based on detailed annual estimates of the cost to complete the remaining elements of the project and on reasonable assumptions, as determined by the Secretary, of future increases in the cost to complete the project.


### Historical and Revision Notes

<table>
<thead>
<tr>
<th>Revised Section</th>
<th>Source (U.S. Code)</th>
<th>Source (Statutes at Large)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5327(b)</td>
<td>49 App.:1619(g).</td>
<td></td>
</tr>
</tbody>
</table>
49 USC 5327

In subsection (a), before clause (1), the words “as required in each case by the Secretary” are omitted as surplus. In clause (11), the words “such items as” and “where applicable” are omitted as surplus.

In subsection (c)(1), the words “Beginning October 1, 1987” are omitted as executed. The words “with any person” are omitted as surplus.

In subsection (c)(2), the words “In addition to the purposes provided for under subsection (a) of this section” and “with any person” are omitted as surplus. The cross-reference to paragraph (1) is not changed. The cross-reference in 49 App.:1619(h), the source provision being restated in this subsection, is no longer correct, but is apparently still meant to apply to funds made available under 49 App.:1619(a).

In subsection (e), before clause (1), the text of 49 App.:1619(f) (2d sentence) is omitted as executed. In clause (1), The words “vehicles or other” and “the performance of” are omitted as surplus.

**Pub. L. 103–429**

This amends 49:5327(c)(1) to correct an erroneous cross-reference.

**Pub. L. 104–287**

This amends 49:5327(c) to correct an erroneous cross-reference.

**References in Text**

The National Capital Transportation Act of 1969, referred to in subsecs. (a) and (d), is Pub. L. 91–143, Dec. 9, 1969, 83 Stat. 320, as amended, which amended section 24 of Title 12, Banks and Banking, and section 684 of former Title 40, Public Buildings, Property, and Works, and repealed sections 651, 652, 661 to 665, 671, 682, and 683 of former Title 40 and provisions set out as notes under section 651 of former Title 40. Section 14(b) of that Act is not classified to the Code. For complete classification of this Act to the Code, see Tables.

**Amendments**


Subsec. (c). Pub. L. 109–59, § 3026(b), amended subsec. (c) generally. Prior to amendment, subsec. (c) specified limitations on use of available amounts for certain purposes.

1998—Subsec. (c)(2). Pub. L. 105–178, § 3024(a), substituted “enter into contracts” for “make contracts” and inserted “and to provide technical assistance to correct deficiencies identified in compliance reviews and audits carried out under this section” before period at end of first sentence.


1996—Subsec. (c)(1). Pub. L. 104–287 substituted “to carry out a major project under section 5309” for “to carry out a major project under section 5307”.

1994—Subsec. (c)(1). Pub. L. 103–429 substituted “section 5307, 5309, 5311, or 103(e)(4) or that Act” for “section 5307, 5309, 5311, or 103(e)(4) of that Act”.

**Effective Date of 1996 Amendment**

Amendment by Pub. L. 104–287 effective July 5, 1994, see section 8(1) of Pub. L. 104–287, set out as a note under section 5303 of this title.
Effective Date of 1994 Amendment


Financing of Oversight Activities