



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 9, 2009

M-09-14

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag
Director

SUBJECT: Recovery Act Implementation – Improving Grants.gov and Other Critical Systems

Effective implementation of the Recovery Act is a critical part of the effort to jumpstart economic activity and a top priority for the Administration. Central to carrying out the provisions of the Recovery Act with unprecedented levels of transparency and accountability is to confirm the capability of current information technology systems to meet the significant increases in financial and programmatic activity that will occur within Federal agencies during the next several months. To this end, OMB has been working closely with Federal agencies to identify system risks that could result in the disruption of effective Recovery Act implementation.

One area of risk that has been identified is in the operation of Grants.gov. As the central portal where citizens may find and apply for competitive grants, Grants.gov has experienced an increasing volume of activity in the past several months. This load has far exceeded the throughput originally anticipated by the system and has at times resulted in noticeably degraded performance. In addition, the Recovery Act is expected to result in an approximate 60 percent additional increase in application volume to Grants.gov, putting the system at a significant risk of failure and thus potentially hampering Recovery Act implementation. After a close and diligent review of system limitations, we have determined this risk to be unacceptably high.

As a result, I am instructing the Department of Health and Human Services, the Federal agency that operates and maintains Grants.gov, and the General Services Administration, which serves as the facilitator of government-wide E-gov solutions, to work together to initiate immediate improvements designed to accommodate this expected volume increase.

I am further instructing Federal grant-making agencies to immediately identify alternative methods for accepting grant applications during the Recovery Act's expected peak period to reduce demand on Grants.gov's limited resources. These alternatives should focus on minimizing any disruption to the grants application processes. Federal agencies should submit recommended alternatives to their counterparts in OMB's Resource Management Offices for review and approval by March 13, 2009.

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I am pleased that the Grants.gov risk was identified before unnecessary mistakes or disruptions occurred in the application process for competitive grants funded under the Recovery Act. The planned system enhancements will have the added benefit of addressing weaknesses in the Grants.gov system that may also impact grant activity unrelated to the Recovery Act.

The steps being taken to address risks in Grants.gov are an important lesson that can be applied in our ongoing review of other systems. We cannot wait for problems to become crises. Before problems become an impediment to the release of Recovery Act funds, we have an obligation to identify risks, assess options, and implement solutions.

Questions about this memorandum can be addressed to recovery@omb.eop.gov.

Thank you for your cooperation.