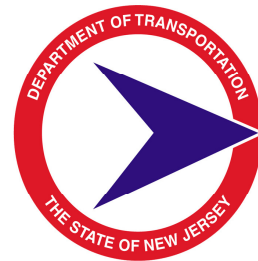


**Federal Highway Administration  
&  
New Jersey Department of  
Transportation**

**STEWARDSHIP AGREEMENT**

**December 2008**



# TABLE OF CONTENTS

	<b>Page</b>
<b>Introduction</b>	<b>1</b>
<b>Section I General</b>	<b>6</b>
<b>Section II Bridge Program</b>	<b>11</b>
<b>Section III Civil Rights/Affirmative Action</b>	<b>13</b>
<b>Section IV Construction and Materials</b>	<b>15</b>
<b>Section V Design</b>	<b>17</b>
<b>Section VI Environmental</b>	<b>19</b>
<b>Section VII Financial Management</b>	<b>21</b>
<b>Section VIII Intelligent Transportation Systems</b>	<b>23</b>
<b>Section IX Local Aid</b>	<b>27</b>
<b>Section X Operations and Maintenance</b>	<b>31</b>
<b>Section XI Pavement</b>	<b>32</b>
<b>Section XII Programming and Project Authorization</b>	<b>33</b>
<b>Section XIII Railroad Engineering and Safety</b>	<b>35</b>
<b>Section XIV Right-of-Way (ROW)</b>	<b>36</b>
<b>Section XV Safety Programs</b>	<b>38</b>
<b>Section XVI Statewide Planning</b>	<b>39</b>

## Introduction

Congress has charged the Federal Highway Administration (FHWA) with administering the Federal-aid Highway Program (FAHP) under *Title 23, USC* and other associated laws. In addition, FHWA's responsibility for administering the FAHP has been clearly outlined in the following legislation: the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991; the Transportation Equity Act for the 21st Century (TEA-21) of 1998; and, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005. SAFETEA-LU builds on the foundation of the two previous bills supplying the funds and refining the programmatic framework for investments needed to maintain and grow our vital transportation infrastructure. These laws allow States to assume certain delegated responsibilities for FHWA in certain National Environmental Policy Act approvals and in the design, construction, award and inspection of certain Federal-aid projects.

SAFETEA-LU addresses the many challenges facing our transportation system today—challenges such as improving safety, reducing traffic congestion, improving efficiency in freight movement, increasing intermodal connectivity, and protecting the environment—as well as laying the groundwork for addressing future challenges. SAFETEA-LU promotes more efficient and effective Federal surface transportation programs by focusing on transportation issues of national significance, while giving State and local transportation decision makers more flexibility for solving transportation problems in their communities.

The vision of the New Jersey Department of Transportation (NJDOT) describes what the citizens want New Jersey's transportation network to become: a coordinated transportation network that provides safe, user-friendly access and movement, and responds to the values of New Jersey's citizens. Complex issues must be addressed that affect every part of the state:

- Maintaining and improving the condition of our roads, bridges and public transit facilities
- Providing mobility and safety for everyone, whether they travel by car, train, bus, bicycle or walking
- Aligning future transportation and land development patterns for a more efficient sustainable way of life
- Determining the most effective investments and the best ways to finance the transportation system

Under 23 U.S.C.106, the NJDOT may assume certain responsibilities in the administration of the FAHP. The FHWA and the NJDOT are required to enter into an agreement documenting the extent to which the State assumes the responsibilities of the FHWA under *Title 23, USC*.

FHWA is charged with more than just compliance with laws and regulations. FHWA is also charged with stewardship towards improving the efficiency and effectiveness of the transportation systems. Oversight activities are part of FHWA's stewardship responsibilities. Stewardship goes beyond regulatory compliance or oversight. It goes to the efficiency and effectiveness of the funds. Beyond projects and processes, stewardship supports the achievement of the broad goals set forth in FHWA's Strategic Implementation Plan to improve America's transportation system.

This Stewardship Agreement outlines the roles of both FHWA and NJDOT in the accomplishment of these goals and objectives. In order to distinguish stewardship from oversight the following definitions will apply:

- **Stewardship:** The efficient and effective management of the public funds that have been entrusted to the Federal Highway Administration.
- **Oversight:** The act of ensuring that the Federal highway program is delivered consistent with applicable laws, regulations and policies.

This Department-wide Stewardship Agreement covers the following oversight areas:

- I. General
- II. Bridge Program
- III. Civil Rights/Affirmative Action
- IV. Construction and Materials
- V. Design
- VI. Environmental
- VII. Financial Management
- VIII. Intelligent Transportation Systems
- IX. Local Aid
- X. Operations and Maintenance
- XI. Pavement
- XII. Programming and Project Authorization
- XIII. Railroad Engineering and Safety
- XIV. Right-of-Way (ROW)
- XV. Safety Programs
- XVI. Statewide Planning

This agreement sets the general framework for accomplishing the stewardship and oversight responsibilities of the Federal-aid Highway Program. Notwithstanding this agreement, the FHWA retains overall responsibility for all aspects of Federal-aid programs and does not preclude FHWA's access to and review of a Federal-aid project at any time and does not replace the provisions of *Title 23, USC*. In general, FHWA will use Process Review and Product Evaluation techniques to assess the capability and capacity of NJDOT in those areas where NJDOT has assumed FHWA responsibility. FHWA will also use these techniques to monitor and evaluate NJDOT fulfillment of the responsibilities outlined in this agreement. Furthermore, the provisions of this agreement do not modify the FHWA's non-*Title 23* program oversight and project approval responsibilities for activities such as required under the *Clean Air Act*; the *National Environmental Policy Act of 1969 (NEPA)* and other related environmental laws and statutes; the *Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970*; and the *Civil Rights Act of 1964* and

related statutes, unless expressly permitted by SAFETEA-LU Section 6004 and 6005.

This agreement incorporates the concept of mutual service standards that include agreed upon formats, procedures and targeted timeframes for NJDOT and FHWA actions, including submissions, comments and approvals.

This Stewardship Agreement between the New Jersey Department of Transportation (NJDOT) and the New Jersey Division of the Federal Highway Administration (FHWA) sets forth the respective roles and responsibilities of each party in the administration and oversight of the Federal-aid Highway Program in the State of New Jersey.

There are two types of oversight procedures:

- Full Oversight
- Alternate Procedures

Full Oversight procedures require complete review and approval responsibilities by the FHWA, except as specifically identified in the oversight areas below.

Alternate procedures allow NJDOT to assume the roles and responsibilities of the FHWA for projects on the National Highway System (NHS) and non-NHS projects which NJDOT assumes complete responsibility for project administration. The **National Highway System** (NHS) is the network of nationally significant highways, approved by Congress, that are important to the nation's economy, defense and mobility. Information regarding the NHS in New Jersey can be found at: <http://www.fhwa.dot.gov/hep10/nhs/>.

It is not just oversight that the NJDOT is being delegated; it is the assumption of responsibility for administering the program in an efficient and effective manner.

While the State will assume certain approval authorities, it is understood that FHWA is ultimately accountable for ensuring that the Federal Highway Program is delivered consistently with established requirements. All projects and project documentation will be available for inspection by representatives of the FHWA, as necessary, to evaluate the process.

The following are significant manuals, standards and documents (not all inclusive) utilized by the NJDOT as part of this Agreement:

#### **AASHTO**

1. Highway Definitions
2. Roadside Design Guide
3. A Policy on Design Standards- Interstate Systems
4. A Policy on U-Turn Median Openings on Freeways
5. AASHTO Guide for the Design of Pavement Structures
6. AASHTO- An Informational Guide for Roadway Lighting
7. AASHTO LRFD Bridge Design Specifications
8. AASHTO Standard Specifications for Highway Bridges
9. AASHTO Standard Specifications for Moveable Highway Bridges
10. AASHTO Standard Specifications for Structural Supports for Highway Signs, Luminaries and Traffic Signals
11. AASHTO Manual on Foundation Investigations
12. AASHTO/AWS Bridge Welding Code
13. AASHTO Guide Specifications for Horizontally Curved Highway Bridges
14. AASHTO Guide Specifications for Fracture Critical Non-redundant Steel Bridge Members

#### **NJDOT**

1. Roadway Design Manual
2. Bridges & Structures Design Manual
3. Road User Cost Manual
4. Design Exceptions Manual
5. Survey Manual
6. New Jersey State Highway Access Management Code
7. Procedure: Designer Requirements for Revocations, Modifications and Adjustments of Access, dated April 2001, Office of Access Design
8. Maintenance Manual
9. Pavement Design Manual (AASHTO Companion)
10. Soil Erosion and Sediment Control Standards
11. Standard Specifications for Road and Bridge Construction
12. Electrical Material Specifications
13. Standard Roadway Construction/Traffic Control! Electrical/Bridge Construction Details
14. Sample Plans
15. CADD Manual
16. Context Sensitive Design Policy- Document#200113, October 4, 2001
17. Context Sensitive Design Training Manual
18. Capital Project Delivery Website
19. Construction Schedule Manual
20. All required Baseline Document Changes, Corrective Action Notices and Quality Improvement Advisories

## **OTHERS**

1. AREMA Manual for Railway Engineering
2. TRB Highway Capacity Manual
3. Manual on Uniform Traffic Control Devices
4. FHWA Roadway Lighting Handbook
5. ITE Handbook
6. Illuminating Engineering Society (IES) Lighting Handbook
7. NFPA National Electric Code (NEC)
8. National Electrical Manufacturers Association (NEMA)
9. American Society for Testing and Materials (ASTM)
10. Underwriters Laboratories (UL)
11. Occupational Safety and Health Administration (OSHA)
12. FHWA Federal Aid Policy Guide (FAPG)
13. Hydraulic Engineering Circular No. 19, Hydrology
14. Hydraulic Engineering Circular No. 12, Drainage of Highway Pavements
15. Hydraulic Engineering Circular No. 22, Urban Drainage Design Manual
16. Hydraulic Design Series No.5, Hydraulic Design of Highway Culverts
17. NJDEP Technical Manual for Stream Encroachment Permits
18. HEC 1, Flood Hydrograph Package
19. HEC 2, Water Surface Profile
20. HEC RAS, River Analysis System
21. HEC 18 Evaluating Scour at Bridges
22. HEC 20 Stream Stability of Highway Structures
23. HEC 23 Bridge Scour and Stream Instability Countermeasures
24. HY 8, FHWA Culvert Analysis
25. R 20, Project Formulation, Hydrology
26. TR 55, Urban Hydrology for Small Watersheds
27. Hydrain Drainage Analysis
28. American Standard for Nursery Stock, American Association of Nurserymen, Inc.
29. Hortus III

## I. General

<b>Project Type</b>	<b>Concept Development</b>	<b>Feasibility Assessment</b>	<b>Preliminary Design</b>	<b>Final Design</b>	<b>Construction</b>
<b>Interstate New/ Reconstruction</b>	Full	Full	Full	Full	Full
<b>Interstate Pavement Preservation Major (heavy) Rehabilitation and Structural Overlay</b>	Full	Full	Full	Full	Full
<b>Interstate Pavement Preservation Minor (light) Rehabilitation</b>	Full	Full	* By Agreement	* By Agreement	* By Agreement
<b>NHS New/Reconstruction Over \$50M Construction or \$70 Million Total Cost</b>	Full	Full	By Agreement	By Agreement	By Agreement
<b>NHS New/Reconstruction Under \$50M or \$70 Million Total Cost</b>	Full	Full	Alternate	Alternate	Alternate
<b>NHS Pavement Preservation Minor (light) and Major (heavy) Rehabilitation and Structural Overlay</b>	Full	Full	* By Agreement	* By Agreement	* By Agreement
<b>Non NHS</b>	Full	Full	Alternate	Alternate	Alternate
<b>Major Unusual on NHS</b>	Full	Full	Full	Full	Full
<b>Major Unusual off NHS</b>	Full	Full	Alternate	Alternate	Alternate

\* Oversight will be established by mutual Agreement

Oversight will be established by mutual agreement on NHS projects over \$50 million raw construction cost or over \$70 million total project cost (includes utilities, construction engineering and contingency).

Innovative Contracting includes indefinite delivery/indefinite quantity (ID/IQ), no excuse incentive (bonuses), lump sum bidding, best value, bid averaging, and public private partnerships or others as mutually determined.



Standalone ITS projects or other improvement projects with ITS components and control systems will follow the additional requirements noted under Section VIII

NJDOT defines Major/Unusual projects as all tunnels, movable bridges, major hydraulic structures or bridges with deck area greater than 125,000 square feet. For further clarification, the following is the definition of unusual bridge/structure taken from a November 13, 1998, memorandum from the Director, Office of Engineering in FHWA HQ:

*"For the purpose of this guidance, unusual bridges are those the Divisions determine have: (1) difficult or unique foundation problems, (2) new or complex designs with unique operational or design features, (3) bridges with exceptionally long spans, or (4) bridges being designed with procedures that depart from currently recognized acceptable practices. Examples of unusual bridges include cable-stayed, suspension, arch, segmental concrete, movable, or truss bridges. Other examples are bridge types that deviate from AASHTO bridge design standards, or AASHTO guide specifications for highway bridges; major bridges using load and resistance factor design specifications; bridges requiring abnormal dynamic analysis for seismic design; bridges using a three-dimensional computer analysis; bridges with spans exceeding 152 m (500 feet); and bridges with major supporting elements of "ultra" high strength concrete or steel.*

*Unusual structures are tunnels, geotechnical structures featuring new or complex wall systems or ground improvement systems, and hydraulic structures that involve complex stream stability countermeasures, or designs or design techniques that are atypical or unique."*

Minor and Major pavement preservation is noted in FHWA's Memorandum entitled, *Pavement Preservation Definitions* and classified as:

Minor rehabilitation of pavement consists of non-structural enhancements made to the existing pavement sections to eliminate age-related, top down surface cracking that develop in flexible pavements.

Major rehabilitation consists of structural enhancements that both extend the service life of an existing pavement and/or improve its load carrying capability.

Additional guidelines and definitions for Pavement Preservation can be found at the FHWA website at: <http://www.fhwa.dot.gov/pavement/preservation/091205.cfm>.

## **Major Projects**

A major project is defined as a project that receives any amount of Federal financial assistance and has an estimated total program cost greater than \$500 million (expressed in year-of-expenditure dollars) or has an estimated total cost approaching \$500 million with a high level of public or political interest. The total program cost estimate includes construction, engineering, acquisition of right-of way, and related costs. Major projects require a (PMP). For requirements of the PMP, see FHWA Project Management Plan guidance

<http://www.fhwa.dot.gov/programadmin/mega/pmpguide.cfm>

## **Project Management Plan submissions**

- The initial Project Management Plan shall be submitted to FHWA (Division office) for approval prior to initiating the project's NEPA study. Either the Division or FHWA headquarters office may request FHWA Headquarters review and concurrence prior to the Division's approval.
- Revisions shall be made as the project progresses in order to add, modify, or delete provisions
- The Project Management Plan shall be revised and approved prior to issuing the Record of Decision (ROD) or Finding of No Significant Impact (FONSI), which is prior to authorization of federal aid funds.
- Resubmissions are required with the initial ROW submission, prior to the authorization of Construction and during Construction as required.
- Submissions require FHWA Headquarters review and concurrence, NJ FHWA approval and NJDOT Executive level approval.

Project Management Plans should be prepared in accordance with the "FHWA Project Management Plan Guidance" and the "FHWA Major Project Program Cost Estimating Guidance"

## Financial Plans

As required by Title 23, Section 106(h) recipients of federal financial assistance are required to prepare annual financial plans. Two types of projects require annual preparation: 1) Major Projects and 2) projects with a total cost of between \$100 million to \$500 million in year of expenditure dollars.

The Financial Plan (FP) is a comprehensive document reflecting the Project's cost estimate and revenue structure and provides reasonable assurance that there will be sufficient financial resources available to implement and complete the project as planned. The plan provides a description of how the project will be implemented over time by identifying project costs and the financial resources to be utilized to meet these costs. For requirements of the PMP, see FHWA Project Management Plan guidance

<http://www.fhwa.dot.gov/programadmin/mega/pmpguide.cfm>

## Financial Plan Submissions

- The Initial Financial Plan and each Annual Update will be submitted to the FHWA Division Office for review and approval. Approval of the Financial Plan is only required on Major Projects.
- The Initial Financial Plan should be prepared as early in the project development process as practical, but in all cases, the Initial Financial Plan should be submitted and approved by FHWA before authorization of the federal-aid Funding for mainline project construction.
- On a Design Build project, the initial Financial Plan should be approved prior to FHWA concurrence in the issuance in the Request for Approval (RFA).
- Financial Plans must be updated annually. The scheduled timing of updates should be shown in the Initial Financial Plan by indication of the annual reporting date of the plan. The updates must reflect changes in the total and remaining project cost and/or available funding. The annual update must be submitted to FHWA for approval no more than 90 days after the effective date established in the Initial Financial Plan.
- The content of the Initial Financial Plan (IFP) and each Annual Update (AU) should be certified as "accurate and reasonable to the best of my knowledge and belief" and signed by the Commissioner.

Each annual update should be presented both in total cost (actual cost to date) and cost-to-complete estimates (shown in year of expenditure dollars). Any significant change in the total project cost or revenue since the last estimate should be clearly presented and the major reasons for these significant changes should be provided.

Financial Plans and Updates should be prepared in accordance with the "FHWA Guidance on Financial Plans" and with recognized financial reporting standards such as *the* "Guide for Prospective Financial Information" of the "American Institute of Certified Public Accountants".

## **FHWA Responsibilities**

FHWA will continue to be responsible for the oversight of applicable Title 23 and non-Title 23 requirements. Such oversight will be conducted through a combination of both project and program level activities. At a minimum, for projects or programs delegated to the NJDOT, FHWA retains authority for the following actions and approvals:

- All Federal responsibilities for planning and programming oversight specified in 23 USC 134 and 135
- Federal air quality conformity determinations required by the *Clean Air Act*
- Obligation of funds
- Waivers to Buy America requirements
- SEP-14/SEP-15 methods
- Civil Rights program approvals
- Environmental approvals except those specifically delegated under Sections 6004 and 6005 of SAFETEA-LU
- USCG Permit Waiver (23 CFR 650.805)
- Addition of access points on the Interstate System
- Use of Interstate airspace for non-highway-related purposes
- Hardship acquisition and protective buying
- Modifications to project agreements
- Final vouchers

The FHWA, NJDOT, or both may initiate process and program evaluations. All evaluations are intended to evaluate procedures and policies used in delivering the FAHP along with identifying deficiencies and opportunities for improvement. FHWA will employ a risk management framework in consultation with the NJDOT to evaluate program areas to balance risk with consideration of staffing resources, funding and highway needs within the State. The following techniques may be used to provide stewardship and oversight to the FAHP:

- Program Assessments – This technique may take many forms including joint risk assessments, self-assessments and program assessments. All of these tools are based on the common concepts of identifying strengths, weaknesses and opportunities and the identification and sharing of “best” practices to continually improve the program.
- Program Reviews – These reviews are a thorough analysis of key program components and the processes employed by the NJDOT in managing the program. The reviews are conducted to 1) ensure compliance with Federal requirements; 2) identify opportunities for greater efficiencies and improvements to the program; and/or 3) identify exemplary practices. They can be referred to, or known as, program improvement reviews, program assessments, process reviews, program/product evaluations, or continuous process improvement initiatives.

- Program Management – This includes the daily stewardship of Federal-aid programs, including project and program oversight and program assistance. Program management ensures Federal program requirements are met while proactively seeking opportunities to add value in the course of routine program approval actions, participating on joint task forces, joint committees and joint quality improvement teams, and aiding and assisting the State and other transportation stakeholders in answering questions on program issues. FHWA manages programs by completing required program level activities, promoting new program initiatives and concepts and continually assessing the program through routine involvement in program activities. FHWA Process Review and Product Evaluation approach will comprise the traditional process of comprehensively reviewing and evaluating State and or local agency policies, procedures, practices and controls for the development and implementation of Federal-aid projects and programs.

FHWA Process Review and Product Evaluations will be accomplished by teams or by an individual with team assignments being made following the selection of the review area. Teams will typically include NJDOT representatives. In some cases representatives from local agencies or other partners may also be invited to participate.

Each year FHWA in consultation with NJDOT will develop an annual process review program (review areas selected will be identified in the FHWA Annual Strategic Implementation Plan).

## **II. Bridge Program**

This portion of the stewardship agreement applies only to the bridge programs and activities listed in the table below. Any projects involving bridges or other structures are covered under the project oversight procedures outlined in the appropriate sections of this agreement. In New Jersey, the bridge program is operated as a partnership between the NJDOT's Bureau of Structural Engineering and the FHWA/NJ Division Bridge Engineer.

The National Bridge Inspection Standards (NBIS) are contained in 23 CFR 650, Subpart C. The NBIS requires that bridges carrying vehicular traffic and located on a public road be inspected every 24 months, and prescribes inspection and reporting requirements. The Highway Bridge Replacement and Rehabilitation Program (HBRRP) is contained in 23 CFR 650, Subpart D. The HBRRP was established to replace and rehabilitate deficient bridges, and has recently been modified to allow preventive maintenance to extend the useful life of bridges.

For the NBIS, oversight includes an annual compliance review conducted with the NJDOT's Structural Evaluation unit each year. The review includes an office meeting to review the State's policy and procedures and determine its level of compliance with the NBIS. It also consists of a field review to compare SI&A and Pontis CoRe element data to actual field conditions, as well as to confirm the status of critical recommendations made by bridge inspection teams. A report is prepared by the Division Bridge Engineer.

The Division authorizes the entire NBIS program annually. This is done near the end of any calendar year for the following calendar year's program. The Manager of the Structural Evaluation Unit prepares the annual request and submits it through the Federal-aid liaison to the FHWA for review and approval.

Eligibility for the HBRRP program is based on bridge inspection and inventory data submitted annually to the FHWA Office of Bridge Technology by the NJDOT. A "Selection List" of eligible bridges is furnished by FHWA to the NJDOT. The distribution of HBRRP funds to each State is based on unit cost data for bridges and the area of deficient bridges. The unit cost submission is prepared annually by the NJDOT and reviewed by the FHWA. The FHWA Division Bridge Engineer and the State Bridge Engineer are responsible for this program.

### Bridge Program Oversight

Work Activity	Action		Outcome
	NJDOT	FHWA	
Annual review of NBIS program	Prepare for review	Conduct review/prepare report	Report
Monitor other agencies for NBIS compliance	Conduct review & prepare report	Attend all agency monitorings and most (>50%) county monitorings/provide input	Report for each monitoring
Authorize NBIS projects	Prepare and submit request	Review/approve	Authorization
Modify NBIS projects	Approval of routine actions	Approval of major* actions	Modification to an authorization
Bridge inspection equipment purchases	Prepare and submit	Review and approve	Modification to an authorization
Follow-up on critical inspection findings	Track and report	Review	Spreadsheet**
Annual NBI data submission	Prepare and submit to HQ	Verify that data is submitted	Electronic submission of data
HBRRP unit cost data submission	Prepare and submit	Review, approve, forward to HQ	Electronic submission of data
HBRRP eligibility determinations	Submit authorizations	Make determination	Project funded
Innovative Bridge Research and Deployment (IBRD) Program	Submit candidate projects to Division	Solicit projects annually, review candidates, submit to HQ	IBRD project
Design Manual for Bridges and Structures	Modify as necessary	Review/approve all changes, signature on final version of Manual	Manual updated or re-issued

\* As determined by the Manager, Structural Evaluation.

\*\* Submitted to FHWA monthly for State-owned bridges and semi-annually for other owners.

### **III. Civil Rights/Affirmative Action**

As a partner with the FHWA and a recipient of Federal funds, NJDOT is required to insure non-discrimination in all its programs and activities. The Division of Civil Rights and Affirmative Action is responsible for overseeing and insuring nondiscrimination in the implementation of all NJDOT's activities. To address this mandate, the Division administers several federally-required programs such as Title VI/Environmental Justice (Title VI/EJ), Disadvantaged Business Enterprise (DBE), Contractor Compliance and Equal Employment Opportunity (CC/EEO).

In addition to administering and overseeing NJDOT's mandated nondiscrimination programs, FHWA allocates supportive services funds to the NJDOT to complement the overall mission of Civil Rights/Affirmative Action (CR/AA) and to enhance program effectiveness. NJDOT's Capital Program annually earmarks federal funds to support CR/AA initiatives, which focus on the DBE and Contractor Compliance Programs to address under-representation of minority and women owned businesses in NJDOT's procurement opportunities and the under-employment of women and minorities on NJDOT federally-funded construction projects. NJDOT also receives discretionary funds from FHWA, which are used by CR/AA to finance community initiatives established to introduce minorities, females and at-risk youth to careers in the transportation industry via participation in various educational programs.

Following are the federally funded services and activities performed by CR/AA and subject to review, approval and oversight by the FHWA:

- DBE Supportive Services Programs
- Preapprenticeship Training Programs
- Youth Corps, "Urban Gateway Enhancement" Program
- National Summer Transportation Institute

Applicable regulations and policies include but are not limited to the following:

- 23 CFR Part 200
- 23 CFR Part 230
- 49 CFR Part 21
- 49 CFR Part 26
- 49 CFR Part 27

## Civil Rights/Affirmative Action Oversight

Work Activity*	Action		Comments
	NJDOT	FHWA	
Prepare Statement and/or Scope of Works	P/S	R/C/A	CR/AA prepares and submits to FHWA for approval
Modify Statement and/or Scope of Works	---	R/C	FHWA reviews, comments and/or modifies CR/AA Planned Statement of Works
Prepare Funding Requests and Authorizations	P/S	R/A	CR/AA initiates funding requests and authorizations based on FHWA approved activities
Implement Approved Services and/or Activities	P/S	R/C	CR/AA implements approved services and activities; FHWA audits/monitors
Prepare Program Activity Reports (Status/Interim/Final)	P/S	R/A	CR/AA prepares and submits activity reports to FHWA for review and approval
Prepare Close-Out Reports	P/S	R/C/A	CR/AA prepares and submits all close-out reports & FHWA reviews and approves such reports for program close-out & Final Acceptance

A = Approve	C = Comment	P = Prepare	R = Review	S = Submit
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\*Note that each CR/AA Federally funded program follows this work activity list/plan.



## IV. Construction and Materials

The overall purpose of the construction-monitoring program is to establish procedures for assuring that projects are constructed in accordance with 23 CFR 635 and 637. The program will provide for program and project level construction oversight. The program includes assuring projects are constructed in accordance with approved standards and acceptable contracting methods and the evaluation of material quality, equipment, construction practices and work force as it relates to the quality of the constructed product.

NJDOT has responsibility for the construction of all Federal-aid projects and for ensuring that such projects receive adequate supervision & inspection to ensure that projects are completed in conformance with approved plans & specifications.

23 USC 106 (c) provides for the assumption by States limited responsibilities for FHWA construction and materials review, oversight and administration.

For Full Oversight projects, the primary objectives of the construction-monitoring program are:

- To maintain a close working relationship with NJDOT field, Regional and Central Office construction staff.
- To evaluate NJDOT's control of the projects and the quality and progress of work.
- To promote improvements.
- To assure that projects are completed in reasonably close conformance with the approved plans and specifications and approved changes.
- Ensure effective and efficient utilization of public funds.
- Provide for safe, reliable and adequately maintained transportation facilities.

FHWA will use the following types of inspections to obtain these objectives:

- **Process Review/ Product Evaluation (PR/PE)** – comprehensive reviews to evaluate NJDOT's procedures and controls. The purpose of a PR/PE is to provide oversight of NJDOT construction and materials management activities and to determine compliance with Federal-aid requirements on a statewide or area wide basis.
- **Inspection-In-Depth** – a thorough on-site review to evaluate a specific contract item, combination of items, or major phase of a project. Inspections-in-depth may be accomplished on an individual project basis or on several projects with the findings summarized as an area wide or statewide review.
- **Project Inspection** – an on-site review to evaluate NJDOT's activities, the quality and progress of the work, and if appropriate, to follow up on findings from previous inspections.
- **Final Inspection** - a review to determine the extent to which NJDOT has exercised its control to assure that the project has been completed in reasonably close conformance with the plans, specifications, and authorized changes. NJDOT will schedule the Final Inspection and notify FHWA. FHWA will conduct its inspection and provide its report within in 10 days.

For Alternate Procedure projects, the objective of the program is to provide sufficient inspection, problem solving, technical assistance, monitoring and review to assure projects are being constructed in accordance with all applicable Federal-laws, policies and requirements.

## Construction & Materials Oversight

Activity	Reference	Full Federal Oversight		Alternate Procedures	
		NJDOT	FHWA	NJDOT	FHWA
Award of Contract	23 CFR 635.114	Request Concurrence	Concur	same as Full Federal Oversight	
Warranties	23 CFR 635.413	Request Approval	Approval	NHS: Request Approval	Approval
				Non-NHS: Approval	No action
Notification of Pre-construction Meeting		Schedule & Invite	Attend	Notify	Information
Construction Manuals	23 USC 109	Prepare	Approval	same as Full Federal Oversight	
Construction Inspections <sup>1</sup>	Federal Aid Policy Guide G6042.8	Participate, Review, Respond within 15 days (Unless otherwise determined)	Conduct & report	Conduct & report	No action
Change of Plan <sup>2</sup>	23 CFR 635.120	Prepare & Request Approval	Approval	Approval	No action
Change Orders	23 CFR 635.120	Prepare & Request Approval	Approval	Approval	No action
Extension of Time/ Suspension of Work <sup>3</sup>	23 CFR 635.121	Prepare & Request Approval	Approval	Approval	No action
Claims	23 CFR 635.124	Notify FHWA upon receipt of Contractor Notice; request concurrence for settlement	Approval	Approval if settled at a level lower than the Claims Committee/ Notify and Request Approval if submitted to the Claims Committee	No Action if settled at a level lower than the Claims Committee/ Approval if submitted to the Claims Committee
Labor Compliance (Davis-Bacon)	23 CFR 635.118	Conduct QA review	Information	same as Full Federal Oversight	
Asbuilt Review	23 CFR 635.123	Conduct QA inspections according to Construction Procedures	No action	same as Full Federal Oversight	
Default/Termination of Contract	23 CFR 635.125	Request concurrence prior to action <sup>4</sup>	Approval	same as Full Federal Oversight	
Buy America Waiver	23 CFR 635.410	Request waiver	Approval <sup>5</sup>	same as Full Federal Oversight	
Materials Quality Assurance Program	23 CFR 637.207	Submit QAP	Approval	same as Full Federal Oversight	
Laboratory Certification	23 CFR 637.209	Maintain AASHTO accreditation or FHWA approval	No action	same as Full Federal Oversight	
Project Final Acceptance (Close-out Documents)					
	Labor Compliance Certification (Form DC-123)	Review and submit Contractor's completed form with close-out documents	Approval <sup>6</sup>	same as Full Federal Oversight	
	Materials Certification (Form LB-96)	Submit with close-out documents	Approval <sup>6</sup>	same as Full Federal Oversight	
	Assessment of Liquidated Damages	Submit with close-out documents (noted on Final Acceptance AD-12)	Approval <sup>6</sup>	same as Full Federal Oversight	
	Final Estimate	Submit with close-out documents	Approval <sup>6</sup>	same as Full Federal Oversight	
	Project Acceptance	Submit Final Acceptance (AD-12) with close-out documents	Approval <sup>6</sup>	same as Full Federal Oversight	
	State Certification of Compliance	Submit with close-out documents	Approval <sup>6</sup>	same as Full Federal Oversight	

1. As per 23 USC 114(a) FHWA has the right to inspect all federal aid projects
2. Changes in scope must be requested prior to initiating COP
3. Extensions of Time are prepared as a Change Order/ Significant suspensions should be discussed with FHWA
4. If default action taken, FHWA may change the designation to Full Federal Oversight.
5. Approximately 90 days for approval.
6. FHWA approval of Closeout Documents is conducted during the FHWA project close-out process

## **V. Design**

FHWA New Jersey Division's design monitoring program is structured around 23 USC 109. The FHWA shall ensure that the plans and specifications for each proposed highway project under this chapter provide for a facility that will adequately serve the existing and planned future traffic of the highway in a manner that is conducive to safety, durability, and economy of maintenance; and be designed and constructed in accordance with criteria best suited to accomplish these objectives and to conform to the particular needs of each locality.

FHWA and NJDOT personnel will make sufficient reviews of Federal-aid highway projects to assure that projects are designed in accordance with applicable standards and in consideration of appropriate cost-effectiveness strategies.

The overall purpose of the design program is to establish procedures for assuring that projects are constructed in accordance with 23 CFR Part 625 Design Standards for Highways, 626 Pavement Policy, 627 Value Engineering, 630 Pre-construction Procedures, 633 Required Contract Provisions, 645 Utilities, 646 Railroads, 650 Bridges, 652 Pedestrian and Bicycle Accommodations and Projects, 655 Traffic Operations, 774 Environmental Impact and Related Procedure, 772 Noise.

NJDOT shall be responsible for amending all baseline documents, such as, the NJDOT Design Manuals, Standard Specifications for Road and Bridge Construction, Standard Construction Details, procedures and processes relative to the delivery of capital projects, and issued baseline documents, such as, Calculation of Liquidated Damages, Annual VE Report, etc., All document changes shall require FHWA approval. In addition, NJDOT shall be responsible for developing and implementing all approved changes associated with this Stewardship Agreement.

Consultant Selections shall be in accordance with 23 CFR Part 172. Deviation from this procedure shall require FHWA approval. Project level selection of Consultants shall be made by the NJDOT with approval of procedures by FHWA. NJDOT Department Policy & Procedure for Consultant Selection is available from the Department Intranet at:

<http://njdotintranet.dot.state.nj.us/policy/policies/docs/312.doc>.

## Design Oversight

Work Activity	Full Federal Oversight		Alternate Procedures	
	NJDOT	FHWA	NJDOT	FHWA
Tier 1 Screening - assignment	Prepare	None	Prepare	None
Tier 2 Screening Report	Prepare	R/C	Prepare	R/C
Concept Development Report	Prepare	R/C	Prepare	R/C
Feasibility Assessment Report	P/R/A	R/C/A	P/R/A	R/C/A
Posting for Technical Proposal	Prepare	R/C	Prepare	None
Design Exceptions	P/A	R/C/ <b>A</b> (see note 4)	P/A	R/C/ <b>A</b> (see note 4)
Preliminary Design Submission	P/R/C/A	R/C	P/R/C/A	None
Utility Agreements & Modifications	P/R/A	Approve	P/R/A	None
Final Design Submission	P/R/C/A	R/C	P/R/C/A	None
Pre-PS & E Submission	Prepare	R/C	None	None
PS & E Submission	Prepare	R/C/A	Prepare	None
Authorization to Advertise	P/R	R/C/A	P/R	R/C/A
Addenda	Prepare	Approve	Prepare	None
Award/Rejection of Project	Prepare	Concur	Prepare	Concur <sup>1</sup>
Interstate Interchange Justification Reports (regardless of funding source)	Prepare	Approve	Prepare	Approve
Value Engineering (VE) <sup>2</sup>	Prepare	Approve	Prepare	Notification required in writing
Public Interest Finding <sup>3</sup>	Prepare	Approve	Prepare	Approve

A = Approve	C = Comment	P = Prepare	R = Review
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<sup>1</sup> Concurrence by FHWA is required for those projects not meeting competition requirements of FHWA "Guidelines on Preparing Engineers Estimates, Bid Reviews and Evaluations" (available at <http://www.fhwa.dot.gov/programadmin/contracts/ta508046.cfm>).

<sup>2</sup> With the passage of Safe tea Lu, VE studies are required on all projects greater than \$25 million on the Federal-Aid System (regardless of funding source) as well as all bridge projects greater than \$20 million regardless of their system. The Statutory reference for this is SAFETEA-LU Section: 1904 (<http://www.fhwa.dot.gov/safetealu/factsheets/stewardover.htm>).

<sup>3</sup> Certain Federal-aid requirements (e.g., use of state owned/furnished/designated materials, use of public equipment, or contract award based on other than competitive bidding) may be waived under specific conditions if it is found to be in the public interest or cost effective.

<sup>4</sup> Design Exceptions are approved by FHWA on **all** interstate projects.

## **VI. Environmental**

The Federal Highway Administration (FHWA) regulations for implementing the National Environmental Policy Act (NEPA) are contained in 23 CFR 774. Included in these regulations are procedures for classifying and processing projects in compliance with NEPA. Any project which has the potential of utilizing federal funds shall comply with these procedures.

The policy and procedures for environmental processing of certain Categorical Exclusions are defined in 23 CFR 774 and in a Programmatic Agreement between FHWA and NJDOT. An Environmental Assessment (EA) shall be prepared for a proposed federal action that is not a Categorical Exclusion and does not clearly require the preparation of an EIS, or where the preparation of an EA would assist in determining the need for an EIS. The regulations for preparing and processing an EA shall be as described in 23 CFR 774. An Environmental Impact Statement (EIS) shall be prepared for any federal action that significantly affects the environment. Procedures for preparing and processing an EIS are contained in 23 CFR 774.

Additional guidance and requirements of the National Environmental Policy Act (NEPA) and the Council on Environmental Quality (CEQ) can be found at the following FHWA websites:

<http://environment.fhwa.dot.gov/> and

<http://www.environment.fhwa.dot.gov/projdev/pd2implement.asp>

Section 4(f) of 49 U.S.C.303 requires that transportation projects must avoid the taking of publicly owned public park, recreation area, wildlife or waterfowl refuge or historic sites as described in 23 CFR 774. In addition, all federal actions are subject to the requirements of Section 106 of the National Historic Preservation Act of 1966. The work required to comply with this law is described in 36 CFR 800.

FHWA regulations for noise analysis are as described in 23 CFR 772. Also, FHWA regulations for air quality analyses shall be in accordance with 23 CFR 774. Environmental permits involving waters and navigable waters of the United States shall be in accordance with 33 CFR 320 through 330.

FHWA requires the State to consult with them prior to requesting major approvals to establish whether or not the approved environmental document remains valid. An Environmental Reevaluation (ER) shall be in accordance with 23 CFR 774.

FHWA involvement in the scoping process and Preliminary Design is critical for concurrence in the level of action and in the review and approval of the environmental document.

## Environmental Oversight

Work Activity	All Federal Oversight		
	NJDOT	FHWA	Outcome
Project Initiation Letter for EIS	Prepare	R/C	Notification Letter
Notice of Intent	Prepare	R/C/A	Publication in Federal Register
Designation of Lead, Participating and Cooperating Agencies	Recommend	R/C/A	Letter
EA/EIS Schedule/Coordination Plan	Prepare	R/C/A	Approval
Draft Environmental Impact Statement	Prepare	R/C/A	Circulate DEIS
Final Environmental Impact Statement	Prepare	R/C/A	Issue Record of Decision
Scoping / Screening Document	Prepare	R/C	Probable NEPA Classification
Programmatic Categorical Exclusion	Prepare	None	Compliance w/ Programmatic Agreement
Categorical Exclusion	Prepare	R/C/A	Approval
Environmental Assessment	Prepare	R/C/A	Issue FONSI or recommend EIS
FONSI	Prepare	R/C/A	Approval
Programmatic 4f	Prepare	R/C/A	Approval
Individual Section 4f	Prepare	R/C/A	Approval
Section 106 No Effect	Prepare	None	Compliance w/MOA
Section 106 No Adverse Effect Determination	Prepare	None	Compliance w/MOA
Section 106 Adverse Effect Determination	Prepare	R/C/A	Adverse Effect Determination
Section 106 Memorandum of Agreement	Prepare	R/C/A	Executed Section 106 MOA
Environmental Re-evaluation	Prepare	R/C/A	Funding Approval
Final Noise Study – Noise Wall Projects	Prepare	R/C/A	Approval
Public Involvement Action Plan	Prepare	R/C/A	Approval

A = Approve	C = Comment	R = Review
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## **VII. Financial Management**

The Department's Financial Management Information System, (FMIS) provides for both the financial and management information needs of the Department. FMIS and its feeder systems: ECATS for time reporting and Maintenance Management System were designed and are maintained to meet both State and Federal Financial Management Standards set forth in Federal Regulations and State of New Jersey Treasury Circular Letters and Department Policy. The Department is committed to constant review of these systems for accuracy and update as regulations change and or better business practices become available. The Federal Highway Administration (FHWA) and NJDOT will maintain a cooperative working relationship in the administration and oversight of financial management.

The NJDOT provides project cost accounting that assures compliance with provisions set forth in 23 CFR 630.106 Authorization to proceed, OMB Circular A-87 Indirect Cost Rate, 49 CFR Part 18 Common Rule. The Department will continue to comply with these regulations and plans to share the following responsibilities with FHWA.

## Financial Management Oversight - Shared Responsibilities

Work Activity	Office	Action		Outcome
		FHWA	NJDOT	
Indirect Cost Rate	Budget	Review and Approve	Annually develop in accordance with OMB A87	Provide current approved rate for cost accounting
Leave Rates	Budget	Review and Approve	Annually update in conjunction with indirect cost rate updates.	Provide current approved rate for cost accounting.
Weekly Billing thru the Rapid Approval State Payment System (RASPS)	Agreement Accounting, FHWA	Review and approve billing within 24 hours of submission	Billing will meet Federal Aid Criteria and will be in compliance with Cash Management Improvement Act (CMIA)	Timely reimbursement for billing of eligible cost with zero interest outcome from CMIA
Closeout of Federal Agreements	Bureau of Auditing	Review and Approve	Closeout projects as they reach final status	# Closeouts to be completed annually
Consultant Contract Cost Audits	Bureau of Auditing	Provide oversight	Complete audits on three year cycle.	Compliance with 23 CFR Sec. 172
A-133 Single Audit	All Divisions and Bureau's cited	Issue Management Decision Letter	Review and react to findings	Issue Management Resolution Letter
Financial Integrity Review and Evaluation (FIRE)	FHWA	Provide Recommendation	Review and react to findings	Issue Management Resolution Letter
Management of Multi-Year Funded Contracts	Capital Programming, Agreement Accounting	Review and approve Advance Construction Project	Maintain record of Multi-Year funded projects for oversight	Assure compliance with contract terms provide timely funding
Internal Control Risk Assessment	Inspector General	Review and oversight	Perform annual evaluation, identify weaknesses, and corrective actions.	Provide reasonable assurance of the integrity of accounting and administrative controls.
Financial Plans for Major Projects	Capital Investment	Review and oversight	Preparation and update	Compliance with Federal Regulation
Project Management Plan	Capital Investment	Review and Approve	Preparation and update	Compliance with Federal Regulation
Toll Credits for Federal Aid Match	Capital Programming Agreement Accounting	Review and Approve use of Toll Credits for Federal Aid Match	Maintain record of Toll Credits earned and their usage	Assure compliance with Federal Eligibility requirements.
Project Accounting	CPM, Local Road Design, ROW, Planning, Civil Rights, Capital Programming	Provide review and oversight	Project cost shall be provided for in accordance with CFR 630.106, OMB circular A87, 49 CFR Part 18 (common rule)	Assures compliance with Federal Eligibility Requirements for project cost



## **VIII. Intelligent Transportation Systems (ITS)**

ITS utilizes advanced technologies including computers, communications, electronics, and control systems to improve the efficiency and safety of the surface transportation system. Deployment and use of ITS is critical in New Jersey due to its severe congestion and limited feasibility to widen and expand its highway infrastructure to meet the increasing needs for mobility, safety, economic vitality, and quality of life.

SAFETEA-LU eliminated the TEA-21 ITS Deployment Program that provided the only dedicated funding source for ITS deployment. Under SAFETEA-LU, ITS funding is mainstreamed throughout the Federal-aid program. ITS projects are eligible under the National Highways (NHS) and Surface Transportation Program (STP) funding for infrastructure-based ITS capital improvements and Congestion Mitigation Air Quality (CMAQ) Program funds for projects and programs that implement ITS strategies.

### Final Rule on ITS Architecture and Standards Conformity (23 CFR 940)

The federal regulation for ITS projects is contained in 23 CFR 940. The Final Rule requires ITS projects funded by Highway Trust Fund to conform to the National ITS Architecture and applicable ITS standards. This will be accomplished through the development of a Regional ITS Architecture and using a Systems Engineering process for ITS project development.

### ITS Architecture (23 CFR 940.9)

The ITS Architecture helps to maximize the benefits of all ITS investments in the region by promoting system integration. It provides a regional framework for ensuring institutional agreement and technical integration for the implementation of ITS projects. It defines the components of the ITS system, how they are linked to each other, and what information is exchanged between them. For New Jersey the Regional ITS Architecture was developed and issued on Feb 18, 2005 as the New Jersey Statewide ITS Architecture to guide the development of ITS projects/programs and be consistent with ITS strategies and projects contained in applicable transportation plans. The Statewide Architecture is available at the Department's ITS web site:

<http://www.state.nj.us/transportation/eng/elec/ITS/>

### Project Implementation (23 CFR 940.11)

The Systems Engineering process for ITS project development and deployment of integrated transportation systems requires the project developer to consider all phases of the ITS system's lifecycle: planning, requirements, design, procurement, implementation, deployment, operations, and maintenance. Using the Systems Engineering approach will help ensure the technology based projects are completed on time, on budget, and satisfy the user's requirements. The Systems Engineering process is required for all Federal-aid ITS projects, regardless of size or complexity. However, the amount of Systems Engineering shall be commensurate with the project scope and technical complexity.

Implementation of ITS can be through separate ITS specific projects or incorporated into other transportation improvement projects.

## **ITS Oversight - Projects**

### 1. Oversight Definition

#### A. Full Oversight

1. ITS work included in other projects that are covered under full oversight.
2. ITS stand alone projects that require the development of new software or systems not previously used in New Jersey
3. Congressional ITS earmark program

#### B. No Full Oversight/ Alternate Procedures

1. ITS work included in other projects that are not under full oversight, unless the ITS work requires the development of new software or systems not previously used in New Jersey.
2. ITS stand alone projects for standard ITS systems.

### 2. Programmatic Concept of Operations

A. Description: The level of Systems Engineering required for deployment is dependent on the complexity of the proposed system. A programmatic approval is established for those deployments that do not require a Concept of Operations submission before proceeding with the Systems Engineering for the proposed deployment.

B. Project types covered by programmatic approval for compliance with ITS Architecture and 23 CFR 940: Development and deployment of standard ITS systems, individual components or complete systems, within an ITS stand alone project or incorporated within other projects, and the operation and maintenance of existing ITS systems.

C. Standard ITS systems include Traffic Cameras (CCTV), Dynamic Message Signs (DMS), Highway Advisory Radio (HAR), Weigh-in-Motion stations (WIM), Weather Stations (RWIS), Controlled Traffic Signals, and TRANSMIT/Radar/Microwave/loop detectors/other established in-pavement based traffic data sensors, and other software or systems previously used in New Jersey.

### 3. Submittals

#### A. ITS Architecture compliance –

1. Programmatic – request for each FHWA funding authorization will be noted as such.
2. Non-Programmatic – submit a Concept of Operations report with the request for FHWA authorization for design and the Feasibility Assessment Report. For Pipeline 3 or 4 projects, or those projects designed without federal funding or non-project specific PE authorizations, the project manager must submit the Concept of Operations report to the FHWA for concurrence in advance of initiating final design.

- B. Authorization for procurement, construction, or deployment –
1. Full Oversight/Programmatic – submit the Systems Engineering Report (SER) with the Final Design Submission.
  2. Full Oversight/Non-Programmatic – submit the Systems Engineering Report with the Preliminary Design Submission.
  3. Alternate Procedures/Programmatic – PS&E submission or authorization for Program Deployment, must note that Systems engineering Report was approved by ITS Engineering or the respective ITS Subject Matter Expert (SME) for conformity to 23 CFR 940.11.
  4. Alternate Procedures/Non-Programmatic – submit the Systems Engineering Report to the FHWA for concurrence in advance of the PS&E, or Program Deployment authorization request. The SER may be submitted with the Concept of Operations Report if applicable. The project manager should discuss any unusual proposed work with the FHWA prior to completing final design.

## ITS Oversight – Other Programs

Work Activity	Action		Outcome
	NJDOT	FHWA	
<i>1. ITS Integration Component of the ITS Deployment Program (TEA-21 Congressional Earmarks)</i>			
a. Work plan, Schedule, Deliverables, and Budget	Project Sponsor P/S	R/C/A (10 days)	Work Plan, Schedule, Deliverables, and Budget
b. ITS Partnership Agreement	Project Sponsor P/S	Information	Signed Agreement
c. Quarterly Progress Report	Project Sponsor P/S	Information	Report
d. Work Orders	Project Sponsor P/S	R/A (10 days)	Work Orders
e. Copies of all Project Reports, Correspondence, Meeting Announcement, and other Documents	Project Sponsor P/S	Information	Report
f. Evaluation of Benefits Report	Project Sponsor P/S	Information	Report
<i>2. Other Federally Funded Programs/Sources. This includes, but is not limited to, the operation and maintenance of the Traffic Operations Centers and ITS systems.</i>			
Work Plan, Schedule, Deliverables, and Budget	P/S	R/C/A (10 days)	Work Plan, Schedule, Deliverables, and Budget
3. Revise ITS Architecture	P/S	R/A (10 days)	Updated Regional ITS Architecture
4. ITS Operational Standards	P/S	R/A (10 days)	Information/Report

A = Approve	C = Comment	P = Prepare	R = Review	S = Submit
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## **IX. Local Aid**

On behalf of the state of New Jersey, the Division of Local Aid and Economic Development administers the Federal Aid programs for local aid projects. There are four District offices throughout New Jersey to provide further assistance to local governments in the delivery of local transportation projects. The Division of Local Aid and Economic Development works hand in hand with the Bureau of Environmental Program Resources to ensure that projects comply with the National Environmental Policy Act (NEPA) if federal funds are requested.

Within NJDOT, the Division of Local Aid and Economic Development administer the following federally reimbursable local aid programs:

**Local Scoping Program:** In conjunction with the Metropolitan Planning Organizations, the Local Scoping Program is administered by NJDOT. Costs eligible for reimbursement under the program consist of activities required to advance the project through the National Environmental Protection Act (NEPA) requirements and preliminary engineering.

**Local Lead Program:** Provides federal funding to advance projects through final design, right-of-way, and construction activities.

**Local Safety Program:** Provides federal funding for "construction ready" projects that improve known safety hazards on local and county roadways. Funds are for construction only with minimal/no environmental issues and right of way available.

**High Priority Projects:** Eligible projects are identified by name and location in SAFETEA-LU.

**Safe Routes to School:** Provides federal funding for infrastructure and non-infrastructure projects that promote walking and bicycling to school for primary and middle school students (grades K-8).

**Transportation Enhancement Program:** Program to design transportation projects for the preservation and protection of the environmental and cultural resources and to promote alternative modes of transportation.

Under 23 USC 106 ( c ) (1), for projects that are on the National Highway System (NHS) but not on the Interstate, the NJDOT **may** assume the responsibilities of design, plans, specifications, estimates, contract awards, and inspections as determined by FHWA and NJDOT.

Under 23 USC 106 ( c ) (2) for projects that are not on the National Highway System (NON-NHS), the New Jersey Department of Transportation (NJDOT) **shall** assume the responsibilities of design, plans, specifications, and estimates, contract awards, and inspection of projects.

Under 23 CFR 1.11 and 635.105, NJDOT can delegate certain work activities to Local public agencies (LPAs). Work activities delegated to LPAs but not limited to are as follows:

- Scope of Work
- Environmental Studies & Permit requests
- Consultant Selection
- Preparation of Design Exception
- Preparation of Preliminary and Final Plans, Specifications, and Estimates (PS&E)
- Right of Way Acquisition
- Utility Relocation
- Construction Schedule
- Construction Advertisement & Award
- Contract Administration & Inspection

LPAs are not recognized as direct recipients of federal funds. Rather federal funds for local aid projects are provided via a pass-through entity that is New Jersey Department of Transportation (NJDOT). As a direct recipient of federal funds, NJDOT is ultimately responsible for ensuring that project sponsors comply with applicable Federal laws and regulations. In addition the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Section 1904, has amended 23 USC 106 to hold the states accountable for assuring that LPAs utilizing federal funds have adequate project delivery systems for projects and sufficient accounting controls to properly manage federal funds.

Work activities not delegated to LPAs are as follows:

- Project Eligibility & Selection
- NEPA Review and Approval
- Approval of Design Exceptions on NHS
- Design Certification to FHWA
- Right of Way Certification to FHWA
- Utility Certification to FHWA
- DBE/ESBE Goals and Waivers
- Funding Authorization Requests
- Federal-aid Payments
- Project Closeouts
- Final Inspection and Acceptance

Applicable federal and state laws, regulations, and policies include but are not limited to the following:

- 23 USC 106 (to include SAFETEA-LU amendment of Section 1904)
- 23 USC 109 (o)
- 23 USC 112
- 23 CFR 1.11
- 23 CFR 635
- 49 CFR 18
- NJ Title 27
- NJ Title 39
- NJ Title 40

To assist the LPAs, NJDOT has developed the following resources to follow when requesting federal funds:

- Federal Aid Handbook
- Memorandum of Understanding between Federal Highway Administration (FHWA) and the Division of Local Aid & Economic Development dated 8/1/97 *and subsequent amendments*
- Programmatic Agreement for Approval of Certain Categorical Exclusions dated 11/13/97 *and subsequent amendments*
- Programmatic Agreement Among FHWA, NJDOT, New Jersey State Preservation Officer and the Advisory Council of Historic Preservation dated 11/19/96 *and subsequent amendments*
- Safe Routes to School Program Application Guidance
- Transportation Enhancement Handbook
- National Environmental Policy Act (NEPA) Checklist  
(for Transportation Enhancement Projects only)

In addition to state guidance, Metropolitan Planning Organizations have developed additional resources to assist local governments in the delivery of federally funded projects. Procedures and manuals are submitted to Federal Highway Administration (FHWA) for their approval prior to public disclosure.

The Local Aid Project Oversight table highlights key project work activities and the actions required of LPAs, NJDOT, and FHWA. Specific details on program and eligibility requirements can be found in the Federal Aid Handbook and the August 1, 1997 Memorandum of Understanding between Federal Highway Administration (FHWA) and the Division of Local Aid & Economic Development. In conjunction with NJDOT, FHWA performs periodic process reviews to ensure the efficiency and accountability of the program. Also, FHWA tasks include authorizing of program requests and approving certain project submittals as described below.

## Local Aid Oversight

Work Activity <sup>1</sup>	Action		
	LPA (Project Sponsor)	NJDOT (incl. MPO as appropriate)	FHWA
Scope of Work	P/S	R/C/A	Part of funding authorization package
Funding Requests & Authorizations	--	P/S	R/C/A
Environmental Documentation	P/S	R/C	R/C/A
Design Exceptions	P/S/	R/C/A	--
Design Submittals (to include Preliminary Design, Final Design, and Plans, Estimates, & Specification submittals)	P/S	R/C/A	--
Public Interest Finding <sup>2</sup>	P/S	R/C	R/C/A
Clear Right of Way (Right of Way Certification)	P/S	P/S/R/C/A	Part of funding authorization package
Utility Certification	P/S	P/S/R/C/A	Part of funding authorization package
Construction Advertisement	P/S	R/C/A <sup>3</sup>	--
Construction Award	P/S	R/C/A <sup>3</sup>	--
Construction Inspection	Perform Inspection	Verify & Inspect as needed	Inspect as needed
Project Closeouts (at PE phase and Construction phases)	--	P/S	R/C/A
Force Account Requests	P/S	R/C	R/C/A

A = Approve	C = Comment	P = Prepare	R = Review	S = Submit
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<sup>1</sup> Work Activity is contingent upon the federally reimbursable Local aid program.

<sup>2</sup> Certain Federal-aid requirements (e.g., use of state owned/furnished/designated materials, use of public equipment, or contract award based on other than competitive bidding) may be waived under specific conditions if it is found to be in the public interest of cost effective.

3..Notify FHWA in writing for those projects not meeting competition requirements of FHWA "Guidelines on Preparing Engineering Estimates, Bid Reviews and Evaluations" available at:

[Http://www.fhwa.dot.gov/programadmin/contracts/ta508046.cfm](http://www.fhwa.dot.gov/programadmin/contracts/ta508046.cfm)



## X. Operations and Maintenance

### Operations and Maintenance Oversight

Work Activity	Action		Outcome
	NJDOT	FHWA	
Maintenance of Interstate Highway System in accordance with CFR 23, Subpart E – Interstate Maintenance Guidelines	<ol style="list-style-type: none"> <li>1. Develop maintenance plan that prioritizes Interstate maintenance over maintenance of non-Interstate routes.</li> <li>2. Incorporate the critical elements of maintenance as defined in the CFR.</li> <li>3. Identify available resources in terms of person years vs. work activities related to the critical elements and develop plan in the Maintenance Management System that accounts for the available resources.</li> <li>4. Present plan to FHWA</li> <li>5. Continue to perform annual ride along inspections of each region with FHWA personnel and regional maintenance personnel to identify deficiencies.</li> <li>6. Provide quarterly updates to FHWA on progress of corrective action</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide maintenance deficiency report to the Division of Ops. Support, which will track and report on all corrective action.</li> <li>2. Review quarterly status reports and report back to Operations Support on items that are in question.</li> <li>3. Provide acceptance report when deficiencies are complete.</li> </ol>	NJDOT receives its full allotment of federal funding.
Administer Preventive maintenance program for Interstate Highways	<ol style="list-style-type: none"> <li>1. Develop list of preventive maintenance activities that can be performed given funding level identified. Type of preventive work to be accomplished will be provided by Pavement Management unit.</li> <li>2. Develop contracts or identify in-house resources available to perform work. Develop federal agreements for same.</li> <li>3. Administer contracts and track all activities by regional resources to accomplish federal work programs.</li> <li>4. Submit as-builts upon completion of projects to FHWA</li> </ol>	<ol style="list-style-type: none"> <li>1. Review project submissions and turn around within 30 days of submission with approval or disapproval</li> </ol>	Accomplishment of preventive maintenance program
Bridge Painting Program	<ul style="list-style-type: none"> <li>o Develop list of bridges to be painted for the fiscal year</li> <li>o Develop contracts for bridge painting and process all agreement paper work, AD-12's etc. once funding is available.</li> <li>o Administer bridge painting contracts within Division of with assistance of Construction</li> </ul>	<ul style="list-style-type: none"> <li>o Approval of projects</li> </ul>	Completion of bridge painting based on funding allotment.
Highway Marking	<ul style="list-style-type: none"> <li>o Maintain list of three-year cycle for line striping</li> <li>o Develop annual line striping contracts</li> <li>o Develop and implement reflectivity reading program using mobile laser technology to measure reflectivity of all lines annually.</li> <li>o Modify line striping program based on reflectivity readings obtained to maximize efficiency of federal dollars.</li> <li>o Continue to research other products available for line striping</li> </ul>	<ul style="list-style-type: none"> <li>o Develop mandatory reflectivity program for SHA's</li> <li>o Provide oversight of NJDOT program</li> </ul>	Increased efficiency of use of federal dollars for line striping.

## XI. Pavement

### Pavement Oversight

Work Activity	Action		Outcome
	NJDOT	FHWA	
Maintenance Review CFR 635.503	Develop and implement maintenance program	Conduct windshield inspections	Division will provide all findings to NJDOT
Maintenance Technology Transfer	Identify and propose technology transfer activities	Assist NJDOT in identification, marketing and implementation	Improve Maintenance Program
Pavement Management System (PMS) CFR 500.106	Develop and Implement	Review, Comment and Make recommendations	Implementation of the PMS
Develop Budget Allocation Plan for System Preservation	Develop Plan	Review, Comment and Make recommendations	Rehabilitation Plan Implementation
Project Selection for Annual System Preservation Program	Select Projects	Participate, Make recommendations for consideration	List of Projects
Selection of Preferred Rehabilitation Alternatives	Prepare Alternatives and Make Selection	Review, Assist, and Make recommendations for consideration	Report
Pavement Design Guide, Policy and Procedures	Pavement Design Guide, Policy and Procedures	Review, Comment, Make recommendations for consideration, and Approve. Conduct process reviews	Pavement Manual

## XII. Programming and Project Authorization

NJDOT produces the Statewide Transportation Improvement Program (STIP). The STIP presents a comprehensive, one-volume guide to major transportation improvements planned in New Jersey in the next ten years. It serves as the reference document required for use by the FHWA and the Federal Transit Administration in approving the use of federal funds for transportation projects in New Jersey.

Title 23 USC requires each state to develop one multimodal STIP for all areas of the state. In New Jersey, the STIP consists of a list of statewide line items, programs, and the regional Transportation Improvement Program (TIP) projects developed by the three Metropolitan Planning Organizations (MPO's). The MPO TIP's result from extensive deliberation with NJDOT and NJ Transit. Once approved by each MPO, each TIP is included in the STIP without modification.

All projects must be included in the currently approved STIP. NJDOT will provide all required documentation at the time authorization is requested for all projects. Authorization to proceed with a project shall be accordance with 23 CFR 630 Subpart A and 23 CFR 635 Subpart C.

### Programming Oversight

Work Activity	Action		Outcome
	NJDOT	FHWA	
Transportation Improvement Program (TIP)	Review and Approve per 23 CFR 450.312 reference to 23 CFR 450.324 through 330. Send to FHWA no later then when STIP is sent.	Review and make joint planning finding with FTA. Make conformity determination as appropriate. Same timeframe as STIP approval (approval part of STIP letter).	TIPs Accepted For Inclusion in STIP.
STIP Approval	Prepare and Submit per 23 CFR 450.216 and 450.220 including certification. No later than 8/30.	Review and Approve jointly with FTA. Send approval letter within 30 days, providing FTA provides signature of approval within this timeframe.	Letter of Approval Signed By FHWA & FTA.
STIP Amendments/Modifications	Prepare and submit per 23 CFR 450.216 and 450.220 according to Memorandum of Understanding with MPO.	Review and Approve, if necessary. (14 days)	Approved STIP Amendment By Endorsement of Request.

## Project Authorization Oversight

Work Activity	Full Federal Oversight		Alternate Procedures	
	NJDOT	FHWA	NJDOT	FHWA
Preliminary Design Authorization	Prepare	A/A 14 days	Prepare	A/A 14 days
Final Design Authorization	Prepare	A/A 14 days	Prepare	A/A 14 days
Utility P.E.	Prepare	A/A 14 days	A/A	A/A 14 days
Right of Way	Prepare	A/A 14 days	A/A	A/A 14 days
Design/ROW/Construction Agreement Modifications	Prepare	A/A	Prepare	A/A
Utility Relocation	Prepare	A/A	Prepare	A/A
Authorization to Advertise	Prepare	A/A	Prepare	A/A
Project Close out	Prepare	A/A	Prepare	A/A

A = Approve	A/A = approve/authorize	P = Prepare
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### XIII. Railroad Engineering and Safety

#### Railroad Engineering and Safety Oversight

Work Activity	Action		Outcome
	NJDOT	FHWA	
Inspect all of the States at-grade railroad crossings	Develop and implement maintenance upgrade program	N/A	Will develop a list of crossings to be included in the maintenance upgrade program
Schedule projects for warning device improvements	Hold a Diagnostic Team Meeting, issue a Memorandum of Record, then issue an ORDER & Decision	Approve PE funding for identified crossings	Receive estimate from railroad and proceed to construction
Schedule projects for warning device and surface construction	Review estimate Secure Funding Prepare Detour	Approve Construction funding	Improve the safety of the crossing
Maintain railroad crossing data base	Update crossing information	Required for funding	Provides the information required to review crossings for maintenance upgrade program
Prepare CADD drawings for all railroad crossings	Puts finishing touches on data collected by field crews	N/A	Provides crossing info and grades, as needed for environmental documents and detours
Maintain railroad bridge & tunnel files	Update files	N/A	Provides location and data for railroad bridges & tunnels as required
Provide Guidance in Quiet Zone matters	Issuance of ORDER	N/A	Towns will be granted relief from train horns, after complying with the ORDER
NJ Operation Lifesaver	State Coordinator / Safety Presentations	Supply Funding / Support	Education for citizens of the State with regards to railroad crossing safety and trespass prevention

Funding is provided thru FHWA in accordance with 23 U.S.C. 130

#### **XIV. Right of Way (ROW)**

The regulations, standards and procedures for the appraisal, acquisition and relocation of real property shall be in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and in accordance with 49 CFR 24.

N.J.S.A.20:3-6 requires a prospective condemner to appraise the property to be acquired. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations as set forth in 49 CFR 24.102(d) require that the acquiring agency establish an amount which it believes to be just compensation for the real property to be acquired.

The acquisition of real property is governed by the State's Eminent Domain Act of 1971 (N.J.S.A.20:3-1, et seq.) and the Federal Highway Administration regulations as contained in 49 CFR 24 and 23 CFR 710.

Relocation Assistance and Property Management shall be accomplished so to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Chapter 50, NJ Public Laws of 1989.

The work activities listed below are covered under 23CFR (part) and require specific approval and/or oversight by FHWA:

- ROW certification (635.309)
- State ROW operations manual (710.201)
- ROW authorization (710.307)
- Air rights on the Interstate (710.405) & NHS (710.201)
- Airspace leases/joint use agreements (710.407)
- Sale/transfer of excess ROW (710.409)
- Early acquisition, protective buying, and hardship (710.501 & 503)
- Functional replacement (710.509)
- Federal land transfers (710.601)
- Highway beautification (750)

The work activities listed below are covered in 23 CFR and do not require specific program or project approvals, but are not exempted from FHWA oversight under Title 23 U.S.C.:

- Direct eligible costs including administrative, legal and court settlements (710.203 (b))
- Real property donations (710.505)

Process reviews and program evaluations will be conducted when needs or trends are identified at either of the above project levels. The reviews will be conducted jointly with NJDOT personnel whenever possible.

Periodic product evaluations will be conducted to ensure that the current process is producing a quality product in conformance with policy. Process reviews will be the method for evaluating compliance and effectiveness in each of the program areas.

Certain ROW activities are not covered specifically by either 49 or 23CFR but are a combination of sound business practice and the occasional national emphasis areas, which affect the ROW program. Joint reviews of these topics and their application will be conducted as needed.

The attached table identifies the agencies responsible for each 23CFR activity, approving action, and product under the oversight agreement. If, during the normal approval action, any problems are identified, a process review may be scheduled.

### Right-Of-Way (ROW) Oversight

Work Activity	Full Oversight and Alternate	
	NJDOT	FHWA
ROW Operations Manual	Prepare	Approve
ROW Authorizations & Agreements	Prepare	Approve
ROW Certifications	Prepare	Approve
ROW Appraisal Waivers	Prepare	*Approve
Functional Replacement (Public Improvements)	Prepare	Approve
Fair Rights – Interstate and NHS	Prepare	**Approve
Disposal of excess ROW on NHS	Prepare	**Approve
Federal Land Transfer	Prepare	Approve
Early Acquisition, hardship, Protective Buying	Prepare	Approve
Highway Beautification Projects	Prepare	Approve
Access Control – Disposal & changes	Request	**Approve
Outdoor Advertising Program	Prepare	Approve

\*Review only for appraisals under \$25,000

\*\*Approve Interstate only

## XV. Safety Program

This portion of the stewardship agreement applies only to the safety programs listed below. Any safety-related projects, including rail-highway grade crossing improvement projects, are covered under the project oversight procedures outlined in the previously approved stewardship agreement. There are many safety-related program areas for which no Division action is required and are therefore not included in this stewardship agreement. However, FHWA still maintains oversight responsibility for these areas, some of which include the crash records system, the Manual on Uniform Traffic Control Devices and NCHRP 350 compliance.

### Safety Program Oversight

Work Activity	Action		Outcome
	NJDOT	FHWA	
Highway Safety Improvement Program (HSIP)	Develop, implement and evaluate program in accordance with 23 USC 148 and 23 CFR 924.	Approve program methodology.	Reduced number and severity of crashes.
	Prepare report on effectiveness of the HSIP program, including the rail highway grade crossing program, high risk rural roads program and requirements of the 5% report. Report due to FHWA by 8/31 each year.	Review report and provide feedback to NJDOT. Forward to FHWA HQ by 9/30.	Reduced number and severity of crashes.
	Certify state has met infrastructure and rail highway grade crossing needs and submit formal request to flex up to 10% of HSIP funds.	Review and approve request. Forward approval letter to FHWA HQ.	Ability to flex 10% of HSIP funds to non-infrastructure activities
	Develop plan. Plan approved by governor or responsible state agency.	Approve process used to develop plan. Forward approval letter to FHWA HQ.	HSIP funding at SAFETEA-LU levels.
Strategic Highway Safety Plan (SHSP)	Work program submitted to FHWA DO on a calendar year basis.	Approve work program.	Coordinator position, consultant support and overall program marketing activities.
Safe Routes to School (SRTS)	Prepare annual report on program progress and submit no later than 8/31 each year.	Review report and provide feedback to NJDOT.	Increased number of K-8 children walking and biking to school safely.
Work Zone Safety & Mobility	Conduct annual regional TCP reviews with multi-agency participation; Prepare report summarizing finding and submit to FHWA on annual basis; Present findings at winter training.	Participate on TCP reviews; Review report and provide feedback to NJDOT.	Safer work zones.
	Conduct process review year of work zone safety and mobility policy and procedures in accordance with 23 CFR 630 Subpart J	Participate in review.	Improve work zone safety and mobility policy and procedures.
23 USC 159 Certification	Prepare annual certification and send to FHWA by January 1 <sup>st</sup> of each year	Review certification and forward to FHWA HQ.	Law enacted, opposition stated or funds withheld.



## **XVI. Statewide Planning**

This portion of the Stewardship agreement applies to the agreed upon process to perform transportation planning. The work activities listed below are performed by NJDOT or the appropriate MPO and are subject to review, approval, and/or oversight by FHWA:

- State Planning and Research Work Program
- Unified Planning Work Programs
- Long Range Transportation Plan
- State Transportation Improvement Program
- Transportation Improvement Program
- Management Systems
- Air Quality Conformity
- Highway Performance Monitoring System
- Freight & Goods Movement

Applicable federal and state laws, regulations, and policies include but are not limited to the following:

- 23 CFR 420
- 23 CFR 450
- 23 CFR 430
- 23 CFR 460
- Title 49 Section 18/19

In conjunction with FHWA, NJDOT has developed the following resources to follow when using federal funds:

- Joint Service Standard (SPR/Management Systems), July 1, 2001 and subsequent amendments
- Mutual Service Standard for Unified Planning Work Programs, August 7, 2007 and subsequent amendments
- Memorandum of Understanding between FHWA, NJDOT, NJ Transit, and MPOs

In addition to state guidance, Metropolitan Planning Organizations have developed additional resources to assist local governments in the delivery of federally funded projects. Procedures and manuals are submitted to Federal Highway Administration (FHWA) for their approval prior to public disclosure.

Jointly, FHWA and Federal Transit Administration (FTA) must certify that each MPO is appropriately addressing issues and performing required activities within its governing area in accordance with all applicable provisions of federal law, regulations, and policies. FHWA and NJDOT perform periodic process reviews to ensure the efficiency and accountability of the Federal aid program. Also, FHWA tasks include authorizing of program requests and overseeing certain work activities as described below.

## Statewide Planning Oversight

Work Activity	Action			Outcome
	MPO	NJDOT	FHWA	
Statewide Transportation Plan (20 year)	--	P/S	R/C	FHWA Approval not Required.
Statewide Transportation Improvement Program (STIP)	--	P/S	R/C/A	Letter of Approval Signed By FHWA & FTA.
State Planning & Research Work Program	--	P/S	R/C/A	Review by FHWA prior to authorization of funds
Management Systems (Federal-aid projects included in the SPR)	--	P/S	R/C/A	Review by FHWA prior to authorization of funds.
Metropolitan Long Range Transportation Plan (20 year)	P/S	R/C	R/C	FHWA Approval not required.
Transportation Improvement Program	P/S	R/C	R/C	TIPs included verbatim in STIP.
Unified Planning Work Program	P/S	R/C	R/C/A	Review by FHWA prior to authorization of funds

A = Approve	C = Comment	P = Prepare	R = Review	S = Submit
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