



# New Jersey Department of Transportation

## Local Stakeholder Workshop Inactive Federal-aid Agreements

Every Day Counts  
Local Stakeholder Partnering Session  
October 15, 2015

Presented By: Michael Russo  
Director, Local Aid and Economic Development

# Today's Objectives

- ▶ To facilitate a discussion focusing on project billings and project close-outs for locally administered federal-aid projects
- ▶ To Gain a better understanding of the challenges facing all stakeholders
- ▶ To identify potential solutions to overcome these challenges



# NJDOT Local Aid Programs

## State Funded Programs

- Municipal Aid
- County Aid
- Local Bridges
- Safe Streets to Transit
- Transit Village
- Bikeways
- Local Aid Infrastructure Fund
- Safe Corridors Highway Safety Funds

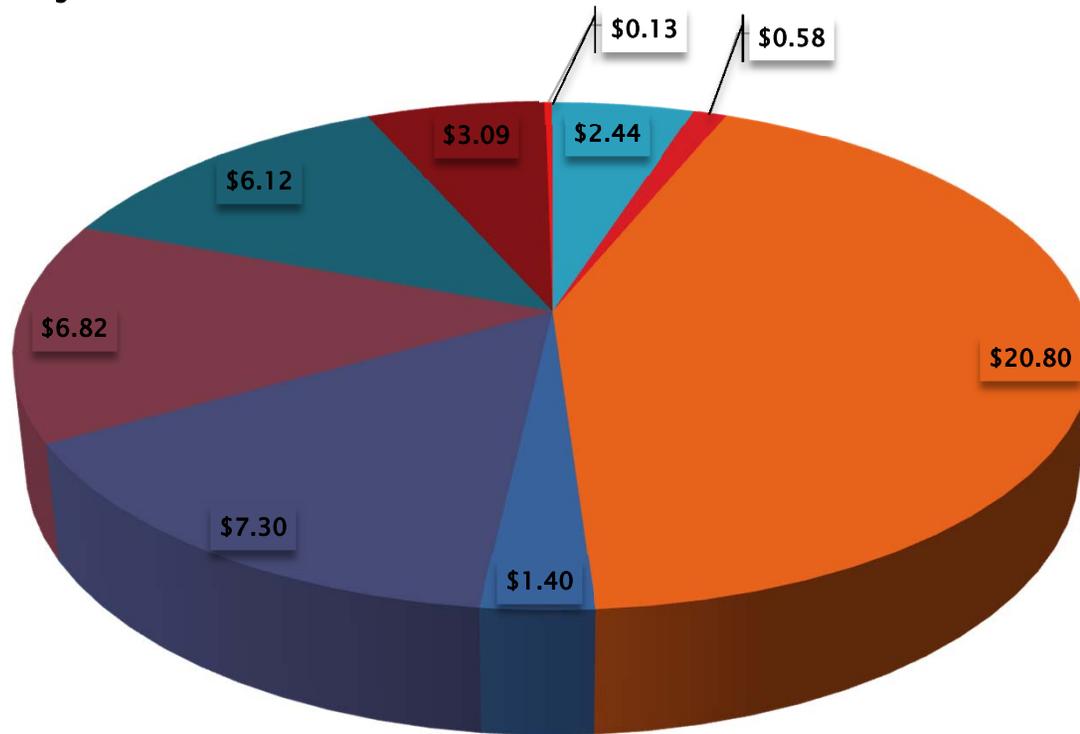
## Federal Funded Programs

- Local Lead
- Transportation Alternatives
- Safe Routes to School
- Local Safety/High Risk Rural Roads Program
- Emergency Relief
- High Priority Projects
- Transportation and Community System Preservation



# FY 2015 Local Federal Projects Authorized

44 Projects – \$48.67M Total



# Federal Aid Programs

- ▶ Funded through MAP – 21 (Moving Ahead for Progress in the 21<sup>st</sup> Century)
- ▶ Governed by 23 CFR–Title 23–Highways
- ▶ Reimbursement Program
  - Costs incurred prior to authorization of funds are ineligible for reimbursement
- ▶ NJDOT serves as pass–through.
- ▶ Local Public Agency (LPA) responsible for meeting federal–aid requirements
- ▶ LPA responsible for supervision and inspection
- ▶ A full time agency employee must be in responsible charge of the project



# A Brief History of Inactives

- ▶ FHWA oversees State's use of approximately \$40 billion annually
- ▶ 2004 audit concluded that \$284 million of \$1.3 billion in Federal-aid highway funds were not needed due to canceled, reduced scope, or completed projects
- ▶ FHWA established the Financial Integrity Review and Evaluation (FIRE) Program in 2005
- ▶ FHWA currently conducts FIRE audits of State's management of Federal funds in key areas including inactive obligations and improper payments



# Definition of an Inactive Project

- ▶ “...a project for which no expenditures have been charged against federal funds for the past 12 months...” (23 C.F.R. 630.106)



# FHWA Requirements

- ▶ Authorization of funds based on NJDOT's best estimate of costs supported by the LPA's Plans, Specifications, and Estimate.
- ▶ NJDOT will continue to review project costs and adjust authorized amounts
- ▶ NJDOT will review inactive projects at least quarterly and adjust unexpended balances to reflect current costs



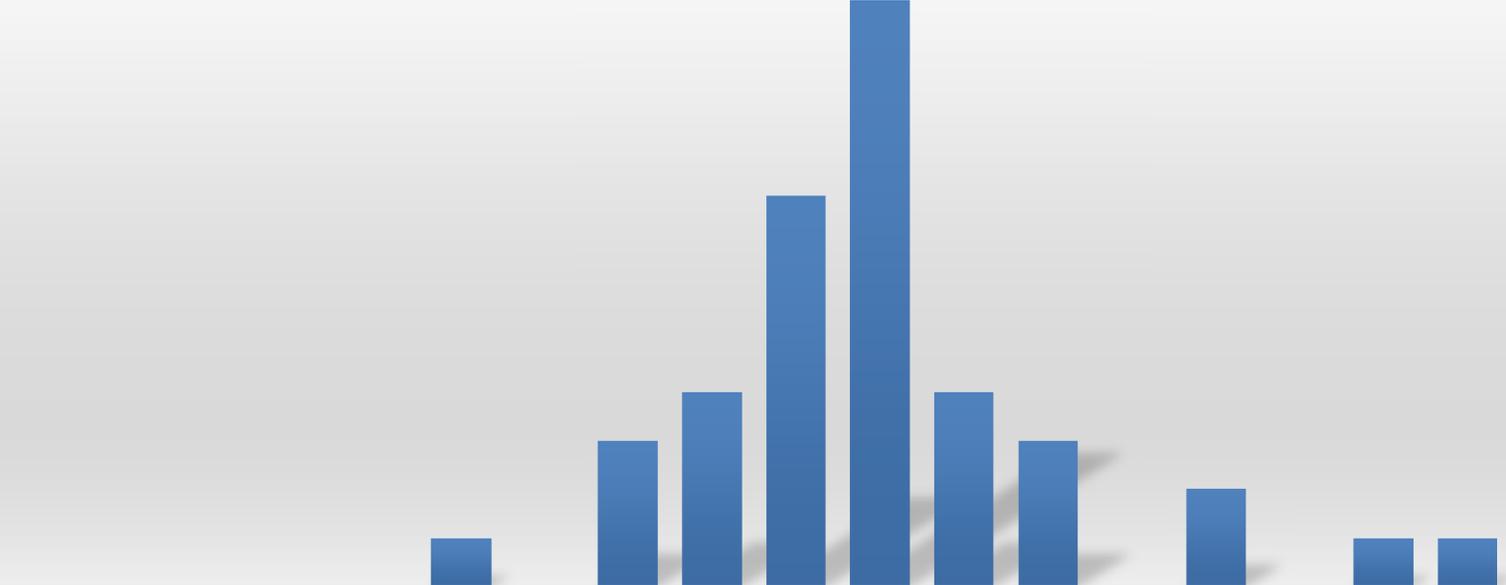
# NJDOT Requirements

- ▶ LPA advertises project within 60 days of NJDOT's notification of authorization of funds
- ▶ LPA may submit payment vouchers monthly, but at least quarterly
- ▶ LPA submits final payment voucher and all required close-out documents within 6 months of receiving NJDOT's written final acceptance



# Billing History for Projects Authorized in FY 2013

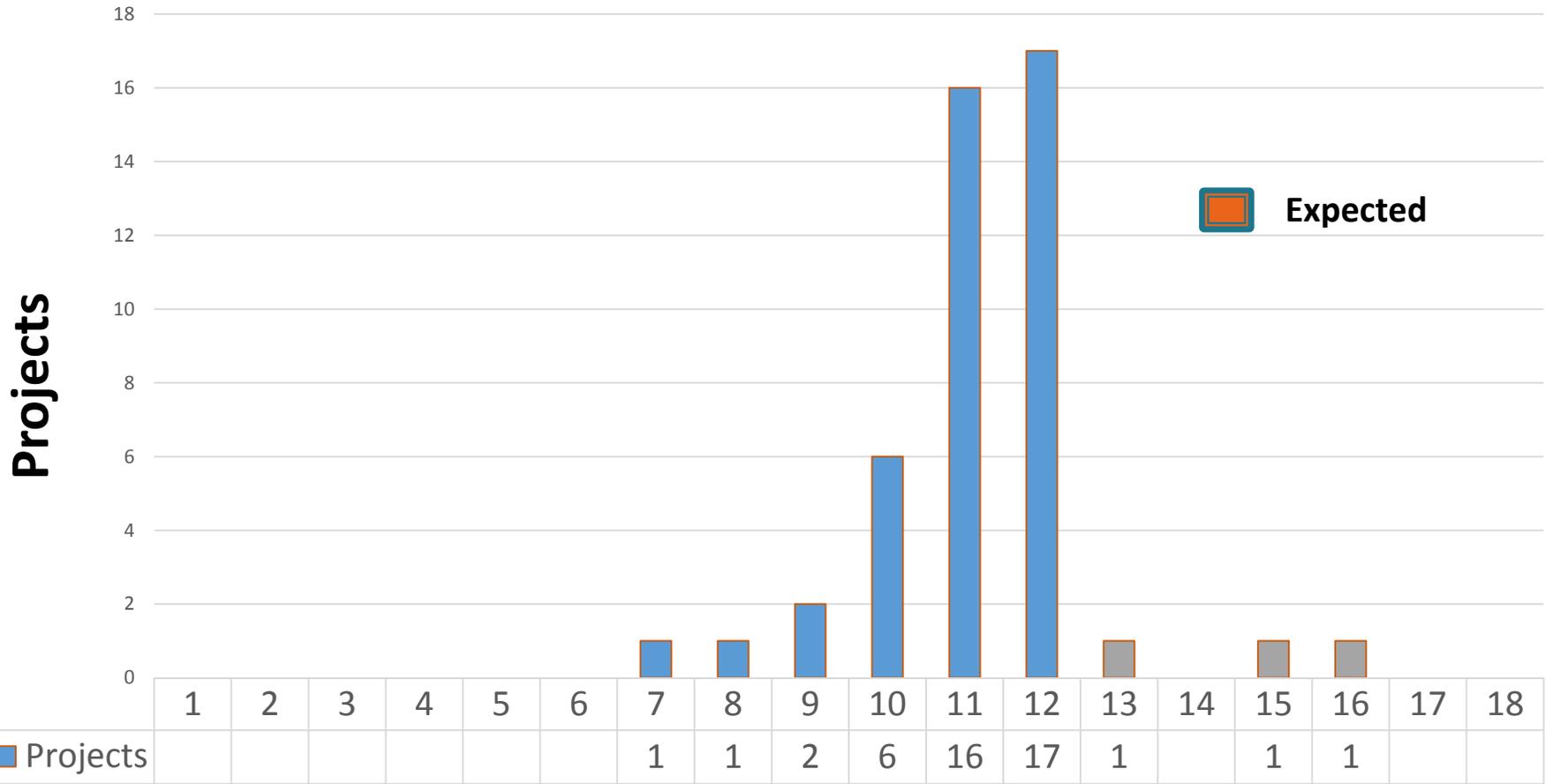
Projects



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
■ Projects						1		3	4	8	12	4	3		2		1	1



## Billing History for Projects Authorized in FY 2014

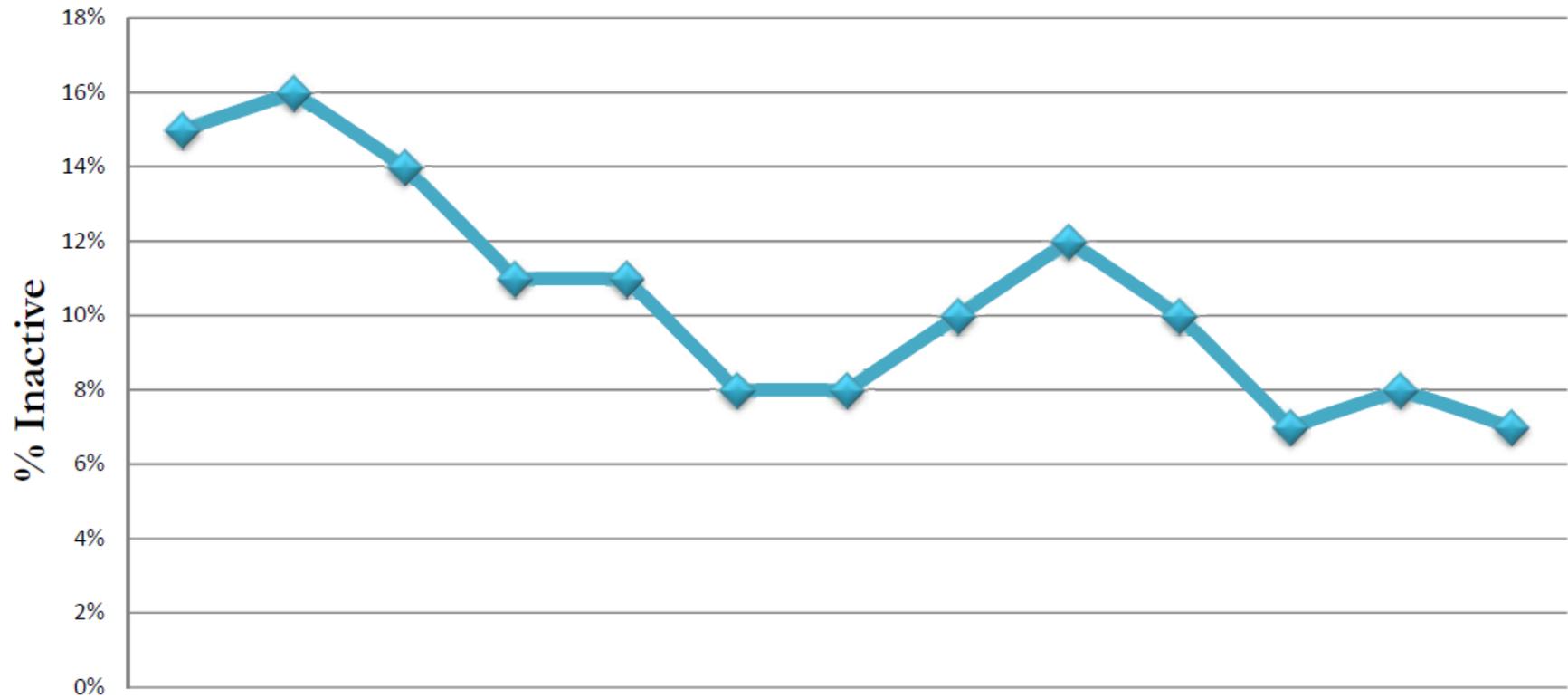


# Inactive Dashboard for September 2015

Months	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	18	22	25	32	36	39	Grand Total	Total Inactive (12 Mos. & Beyond)	% Inactive
Grand Total	44	39	26	19	22	11	12	12	7	4	2	5	4	2	1	1	2	1	1	1	1	1	1	219	16	7%



### Division of Local Aid - Inactive Trend by Month - September 2015



	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
◆ % Inactives	15%	16%	14%	11%	11%	8%	8%	10%	12%	10%	7%	8%	7%



# Justification for the Continuance of Inactive Projects

- ▶ Project status
- ▶ On schedule or delayed?
  - Reason for delay
  - Restart date
- ▶ Estimated cost to complete
- ▶ Can monies be released? If yes, how much?
- ▶ Anticipated date for first invoice, latest invoice, project completion
- ▶ Project close-out date

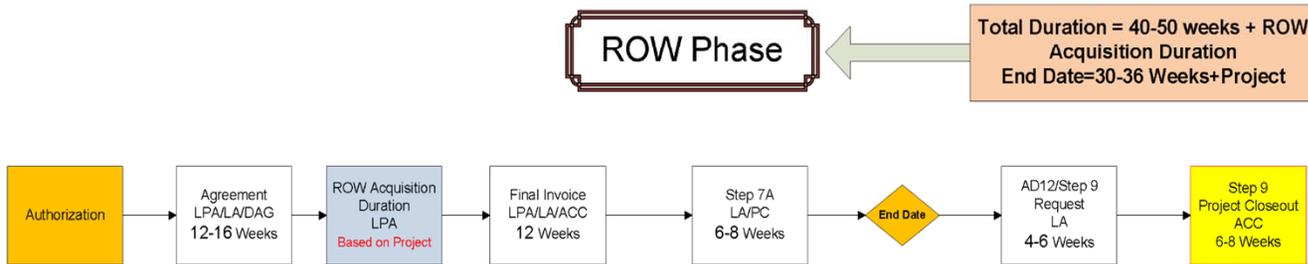
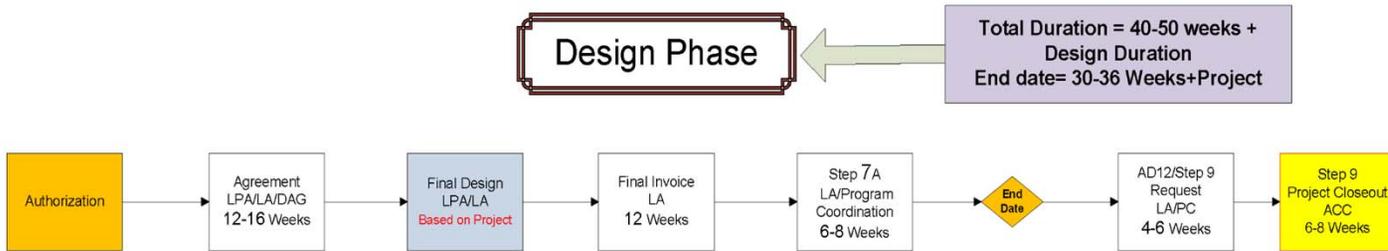
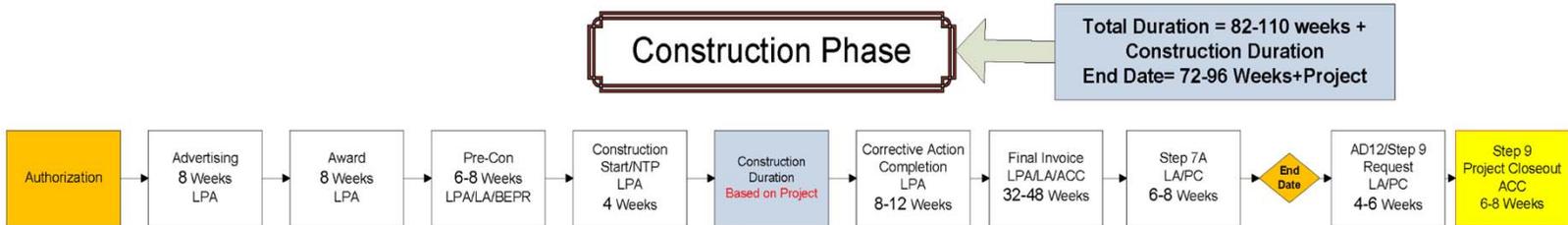


# Focus Areas for Discussion

- ▶ Initial Billings
  - Challenges
  - Potential Solutions
  
- ▶ Final Billing and Project Close-out
  - Challenges
  - Potential Solutions



# DIVISION OF LOCAL AID & ECONOMIC DEVELOPMENT PROJECT DURATION BY PHASE



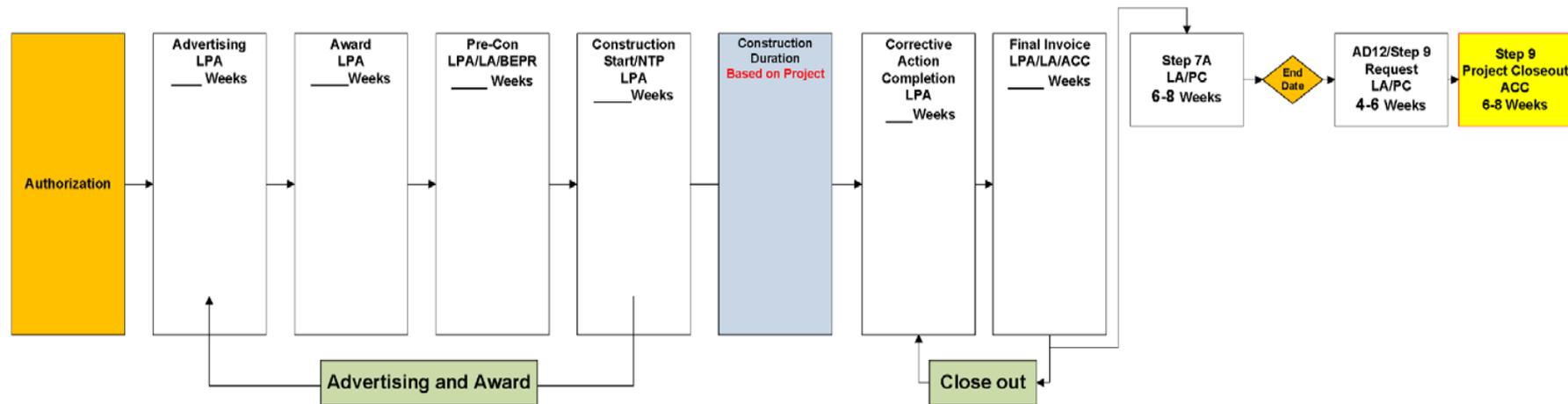
LA : Local Aid  
LPA : Local Public Agency  
DAG: Deputy Attorney General  
PC; Program Coordination  
BEPR: Bureau of Environmental Program Resources  
ACC: Accounting



# DIVISION OF LOCAL AID & ECONOMIC DEVELOPMENT PROJECT DURATION

**Construction Phase**

Total Duration = 82-110 weeks +  
Construction Duration  
End Date= 72-96 Weeks+Project



LA : Local Aid  
LPA : Local Public Agency  
DAG: Deputy Attorney General  
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# Open Discussion

- ▶ Initial Billings
  - Challenges
  - Potential Solutions



# Close-out Requirements

- ▶ Form PV – Payment Voucher along with backup documentation to substantiate all project costs.
- ▶ Chief Financial Officers Certification.
- ▶ Engineer's Certification – Project Completion
- ▶ Federal Aid Change Order
- ▶ List of all as-built quantities
- ▶ Evidence of contractors Payroll compliance



# Close out Requirements cont....

- ▶ Form DC-123 – Contractor's Final Certificate of Compliance
- ▶ Wage Rate Inspections
- ▶ Monthly Summary of Contractor's Payrolls
- ▶ Evidence of contractor's EEO compliance
- ▶ Monthly Employment Utilization Report (online) CC-257 R
- ▶ Release Statement from Agreement for Federal Aid



# Risk Areas

- ▶ Documentation in Support of Payments
- ▶ Punch List Items
- ▶ Buy America Certifications
- ▶ ADA Compliance
- ▶ DBE Goal Attainment
- ▶ Contract Changes



# Open Discussion

- ▶ Final Billing and Project Close-out
  - Challenges
  - Potential Solutions



# Resources

- ▶ NJDOT Local Aid and Economic Development
  - <http://www.state.nj.us/transportation/business/localaid/>
- ▶ LPA Training–Rutgers Center for Advanced Infrastructure and Transportation (CAIT)
  - <http://cait.rutgers.edu/cait/training>
- ▶ FHWA Federal–aid Essentials for Local Public Agencies
  - <http://www.fhwa.dot.gov/federal-aidessentials/>



# Contact Information

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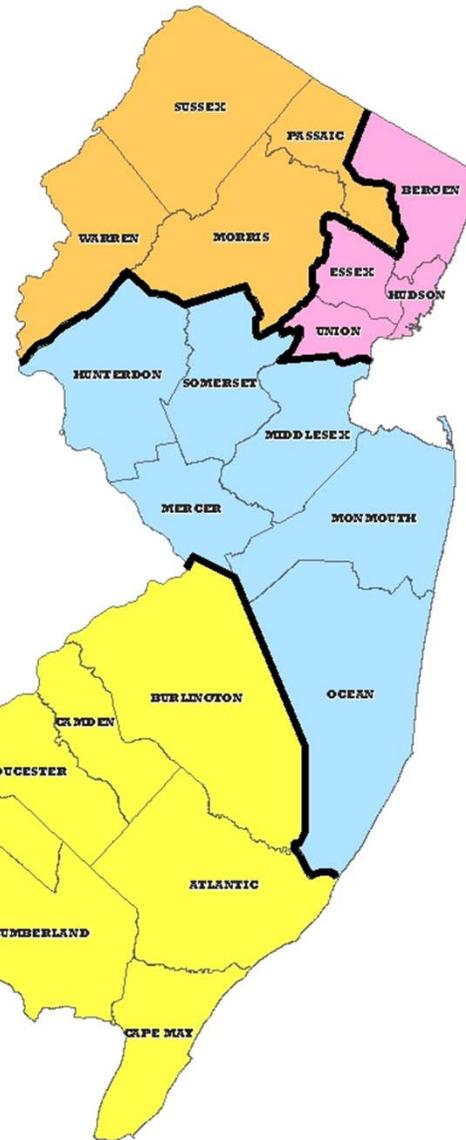


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