



State of New Jersey

DEPARTMENT OF TRANSPORTATION
P.O. Box 600
Trenton, New Jersey 08625-0600

PHILIP D. MURPHY
Governor

DIANE GUTIERREZ-SCACCETTI
Acting Commissioner

SHEILA Y. OLIVER
Lt. Governor

May 17, 2018

Frank Haines
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex
PO Box 068
Trenton, NJ 08625-0068

Dear Mr. Haines:

Per the request of Chairman Paul A. Sarlo, we are forwarding to your attention the enclosed letter providing the Department of Transportation's responses to the member questions raised during the Department's Senate Budget and Appropriations Committee Hearing.

If you have any questions, please feel free to contact me at (609) 530-3536.

Sincerely,

A handwritten signature in blue ink, appearing to read "Diane Gutierrez-Scaccetti".

Diane Gutierrez-Scaccetti
Acting Commissioner

Enclosure

New Jersey Department of Transportation's Responses to Senate Budget and Appropriations Committee's follow-up questions –

Senator Oroho:

Please provide an update on studies into equitable taxation of vehicles not subject to the motor fuels tax or petroleum products gross receipts tax, and research into transportation best practices and cost savings that were required under section 7 of P.L.2016, c.56 through the transportation policy review committee. Has the department made any efforts to prepare for this research in anticipation of the appointment of members to the committee?

Answer: The Transportation Policy Review Board does not presently have a quorum of members and thus is not active. As to best practices and cost savings, NJDOT has aggressively implemented a number of measures that have improved performance and strengthened its financial position. Some examples are listed below:

Value Engineering: NJDOT has employed this technique to identify the best road design solutions and the lowest life cycle costs for construction and maintenance. Examples include re-sequencing construction staging to eliminate utility delays, basic design changes (e.g., bridge rehabilitation instead of replacement), and use of maintenance-free materials. In recent years, Value Engineering has yielded nearly \$400m in capital savings on several major projects, including Route 3/46 Valley Notch Rd., Route 3 over the Passaic River, Route 52 Causeway Contract A, Route 206 Bypass, and the Route 72 Manahawkin Bay Bridge.

Pavement Preservation: Paving techniques such as thin overlays, slurry seals, microsurfacing, and in-place recycling extend pavement life by 5 to 10 years at a reasonable price. Pavement preservation projects cost approximately half of traditional pavement resurfacing, and represent just over 10% of the cost of a major reconstruction.

Modernized Traffic Signals: To help reduce congestion, NJDOT is gradually modernizing traffic signals on state highways, including adaptive signal systems that use computers to regulate signals based on actual traffic conditions. Travel time reductions of up to 20% have been experienced on Routes 1 and 130. This investment, which is largely federally-funded, maximizes NJ's existing highway capacity and thus avoids higher costs for highway expansion.

Ground Penetrating Radar (GPR): NJDOT uses this technology to more efficiently locate underground utilities, thus avoiding costly field changes and scheduling delays. GPR is also used to map areas of active corrosion and voids within bridge decks. In the aftermath of Superstorm Sandy, GPR was used extensively on the reconstruction of Route 35, yielding considerable savings.

Maximizing Federal Funds:

- *Federal Inactive Projects: Through aggressive monitoring and project closeout, NJDOT reduced the number of inactive, federally-funded projects by 85%, from 397 in FY12 to 58 at the start of FY18. The Department reduced the amount of inactive federal funds from approximately \$80 million to \$4 million, repurposing the difference to support other critical highway work. This improvement raised NJ's rank from last in the nation to first among northeastern states.*
- *Redistributed Federal Grants: Since FY14, NJDOT has secured over \$100m in underutilized federal funds redistributed by the Federal Highway Administration from other states, including \$30m in FY17.*

Prompt Payment: NJDOT annually pays approximately 45,000 invoices and by law must do so within 30 days of receipt to avoid prompt payment interest charges. Through a series of management improvements and monitoring techniques, prompt payment charges declined by 90% from FY2010 through FY2017. During that time, the average number of days required to process consultant invoices declined by nearly 60% (from 41 days to 17 days) and the response to construction invoices was cut by more than half (from 24 days to 10 days).

Snow Removal Invoices: By converting from a paper process to electronic billing and payment, NJDOT decreased the average turnaround time for paying snow plow contractors from well over 30 days to 4 days.

Sponsorship Revenue: NJDOT has aggressively pursued sponsorship revenue, generating approximately \$1.7m per year for the Safety Service Patrol program, which assists disabled vehicles on interstate highways, and for the Safe Phone Zone program, which directs motorists to a rest area, scenic overlook, or park and ride lot where cell phone calls can be made in a safe manner.

Drawbridge Maintenance: In the recent past, electrical maintenance on State-owned drawbridges was handled by private contractors, some of whom charged approximately \$800 per hour. By shifting this function to in-house forces, NJDOT expects to realize an annual TTF savings of approximately \$5 million when the new staff are fully trained.

Maintenance Crews (Vision 2020): NJDOT re-organized its maintenance forces, shifting from specialized crews (e.g., landscaping) to larger units that are trained and equipped to perform all road maintenance functions. While the total number of crews was reduced from 79 to 66, the average crew size increased from 8 to 10 employees. Besides accelerating responsiveness in fixing an array of maintenance problems, this initiative reduced the use of high-cost contractor services in certain functional areas.

Senator Stack and Senator Cunningham:

Please provide an update on the Hudson County projects included in Senate

Bill No. 1519. Please identify the status of each of these projects in the existing capital program pipeline, and describe any needed adjustments to these projects in order to ensure that they advance to completion. Also, please note any projects where additional communication is needed between the department and Hudson County concerning the projects and what is needed from the department before those projects can be funded and advanced.

Answer: Two Hudson County projects appear in S-1519, specifically Kerrigan Avenue \$400,000 and Palisades Avenue \$9,600,000.

Kerrigan Avenue, Union City

Kerrigan Avenue was awarded a 2017 Municipal Aid grant for \$337,582 and a 2018 grant from the Local Aid Infrastructure Fund (LAIF) for \$950,000 for total Local Aid funding of \$1,287,582. The plans, specifications, and estimates have been submitted to NJDOT with an engineer's estimate of \$1,328,955.38. Of this amount, \$1,275,980.38 is eligible for State TTF participation. The eligible costs appear to be fully funded.

Palisades Avenue, Union City

As of August of 2017, total Phase 1 costs for this project, which involves streetscaping, barrier free curbs, and repair of the roadway base from 39th Street to 49th Street, were identified as \$2.5 million. No requests were on file with NJDOT at that time. It was recommended that Union City submit an application for 2018 Municipal Aid or LAIF. To date, we are unaware of any formal requests from Union City for Palisades Avenue other than the amounts identified in the supplemental appropriation Bills A-3114 and S-1519. The amount listed for Palisades Avenue in both bills is \$9,600,000.

Senator Greenstein:

The Port Authority of New York and New Jersey provided a commitment to pay debt service on \$2.7 billion in borrowing for the Gateway Program in its ten year capital plan. Can this money be used to jumpstart Gateway Program projects until funding issues with the federal government are worked out?

Answer: The Port Authority of New York and New Jersey's financial support for the Gateway Program forms a key component of the Port Authority's capital budget. Given the relationship of this commitment to PANYNJ's other obligations, the Department of Transportation respectfully recommends that this question be posed directly to PANYNJ.