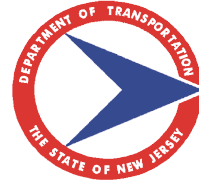


***New Jersey Department of Transportation***

1035 Parkway Avenue, PO Box 600, Trenton, New Jersey 08625-0600

***Baseline Document Change Announcement*****FHWA/ NJDOT Stewardship Agreement****BDC07PL-01****March 30, 2007****SUBJECT: Release of the new Stewardship Agreement**

A new Stewardship Agreement between the Federal Highway Administration (FHWA) and the New Jersey Department of Transportation (NJDOT) has been executed and replaces the Oversight Agreement dated May 24, 1999. The Stewardship Agreement outlines the partnership and working relationship between the FHWA and the NJDOT.

The Agreement defines roles and responsibilities for administration and provides for the effective and efficient use of funds for Federal Projects. It outlines the roles of both FHWA and NJDOT in accomplishing their combined goals and objectives.

The Agreement sets the general framework for accomplishing stewardship and oversight responsibilities of the Federal-aid Highway Program and also describes the delegated responsibilities for FHWA approvals in the design, construction, award, and inspection of certain Federal-aid projects.

The Stewardship Agreement developed by Capital Program Management and the FHWA will serve as the model for developing similar agreements within the Department for the Finance Area, the Division of Local Aid and Economic Development and the Division of Operations Support. Highlights of the Stewardship Agreement are attached.

Please contact the Program Management Office Helpdesk at [DPMPMO@dot.state.nj.us](mailto:DPMPMO@dot.state.nj.us) with any questions about the Stewardship Agreement.

**Implementation Code S (SPECIAL)**

Changes must be implemented in all applicable Department projects immediately.

**Recommended By:**

Original Signed By

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Lynn D. Rich  
Director,  
Quality Management Services

**Approved By:**

Original Signed By

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Richard T. Hammer  
Assistant Commissioner,  
Capital Program Management

Superseded

LDR: GL

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Attachment: Highlights of the Stewardship Agreement, and the FHWA/ NJDOT Stewardship Agreement

## Highlights of the Stewardship Agreement

Highlights are noted below and covered in-depth in the Stewardship Agreement.

The Stewardship Agreement covers the following oversight areas:

- I. General
- II. Environmental
- III. Right of Way (ROW)
- IV. Design
- V. Programming and Project Authorization
- VI. Construction

Excluded from this agreement are those projects administered by the Division of Local Aid and Economic Development and the Division of Operations Support.

In order to distinguish stewardship from oversight the following applies:

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

There are two types of oversight procedures:

- **Full Oversight Procedures:** requires complete review and approval responsibilities by the FHWA, except as specifically identified in the Agreement
- **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.

### General Oversight requirements

**Interstate Pavement Preservation Major (heavy) Rehabilitation and Structural Overlay** - full oversight is required for Concept Development through Construction. Major rehabilitation consists of structural enhancements that both extend the service life of an existing pavement and/or improve its load carrying capability.

**Interstate Pavement Preservation Minor (light) Rehabilitation** – full oversight is required for Concept Development through Preliminary Design with Alternate Oversight for Final Design through Construction. 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.

**NHS New/Reconstruction over \$50 million Construction or \$70 million total cost** - full oversight is required for Concept Development through Preliminary Design with Final Design through Construction “by Agreement”.

**Major Unusual on NHS** – full oversight is required for Concept Development through Construction (includes tunnels, movable bridges, and major hydraulic structures of bridges with decks greater than 14,500 square yards.)

**Major Projects** – projects that receive any amount of Federal financial assistance and have 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. Major projects require a Project Management Plan (PMP).

**PMP Submissions:**

- Initial PMP must be submitted to FHWA for approval prior to initiating the National Environmental Policy Act of 1969 (NEPA) study
- Shall be revised and approved prior to issuing the Record of Decision or Finding of No Significant Impact
- Resubmissions required with the initial ROW submission, prior to authorization of Construction and during Construction

**Financial Plans** - Two types of projects require annual financial plans: 1) Major Projects and 2) projects with a total cost of between \$100 million to \$500 million in year of expenditure dollars.

**Financial Plan Submissions:**

- FHWA approval of the Financial Plan is only required on Major Projects
- For projects in the \$100 - \$500 million range, the initial Financial Plan should be submitted with the Preliminary Design Submission for FHWA information and comment under the design/bid/build process, and prior to Request For Proposal approval for design/build projects
- Financial Plans must be updated annually
- Initial Financial Plan and each Annual Update should be certified as reasonably accurate and signed by the Commissioner

**Environmental Oversight**

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.

- Federal oversight is not required for the activities of Programmatic Categorical Exclusion, Sections 106 No Effect, and Sections 106 No Adverse Effect Determination.

**Design Oversight**

- Full Oversight and Alternate Procedures projects - FHWA oversight is not required for Tier 1 Screening Assignment or Concept Development Report activities.
- Alternate Procedures projects - FHWA oversight is not required for Posting of Technical Proposals, Utility Agreement and Modifications, Final Design Submission, Pre-PS&E Submission, PS&E Submission, and Addenda.

A Value Engineering study is required on all Federal-aid funded NHS projects with an estimated cost of \$25 million or more, or on a bridge project with estimated cost of \$20 million or more, and on other projects where there is a high potential for cost savings.

**Construction Oversight**

- Alternate Procedures projects - FHWA approval is required for Claims and Buy America Waivers. FHWA review and approval is required for Warranties on NHS projects.

**FHWA Responsibilities**

The FHWA, NJDOT, or both may initiate process and program evaluations. All evaluations are intended to evaluate procedures and policies used in delivering the Federal Aid Highway Program (FAHP) along with identifying deficiencies and opportunities for improvement. Program Assessments, Program Reviews, and Program Management may be used to provide stewardship and oversight to the FAHP.

FHWA Process Review and Product Evaluations will be accomplished by teams that include NJDOT representatives. Each year FHWA in consultation with NJDOT will develop an annual process review plan.

Superseded