



NEW YORK STATE SENATE

# **TASK FORCE ON GOVERNMENT EFFICIENCY**

**"Protecting the People's Money"**

## **NEW YORK STATE DEPARTMENT OF TRANSPORTATION**

| <b>Description</b>             | <b>Estimated Cost Savings</b> |
|--------------------------------|-------------------------------|
| <b>Overtime Spending</b>       | <b>\$3.5 million</b>          |
| <b>Independent Contracts</b>   | <b>\$46.5 million</b>         |
| <b>Night Work</b>              | <b>\$360,000</b>              |
| <b>Contract Close-Out Time</b> | <b>\$10 million</b>           |
| <b>TOTAL</b>                   | <b>\$60.36 MILLION</b>        |

| <b>Description</b>                 | <b>Estimated Waste</b> |
|------------------------------------|------------------------|
| <b>Temporary Concrete Barriers</b> | <b>\$33.5 million</b>  |
| <b>Contract Management</b>         | <b>\$150.3 million</b> |
| <b>Construction Sign Sheeting</b>  | <b>\$26.9 million</b>  |
| <b>TOTAL</b>                       | <b>\$210.7 MILLION</b> |





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# **TASK FORCE ON GOVERNMENT EFFICIENCY**

**"Protecting the People's Money"**

## **TASK FORCE REPORT**

**An Investigation Into the  
New York State Department of Transportation**

**APRIL 2010**

Report by  
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## **INTRODUCTION**

On March 2, 2010, the Senate Majority Conference announced the formation of the new bipartisan Task Force on Government Efficiency. The purpose of this 12-member task force, chaired by Deputy Majority Leader Senator Jeff Klein, is to conduct a statewide investigation into the spending practices of state agencies and operations to uncover administrative inefficiencies and develop recommendations for cost savings.

Earlier this year, Senator Klein unveiled \$23 million in government waste at the State University (SUNY) system and \$15 million within the NYS Department of Correctional Services (DOCS). The New York State Department of Transportation (DOT) is the third agency under investigation by the Task Force.

## **NEW YORK STATE DEPARTMENT OF TRANSPORTATION (DOT)**

The New York State Department of Transportation's mission is to provide New Yorkers with a safe, efficient, balanced and environmentally sound transportation system. As such, DOT is responsible for maintaining, repairing, and improving more than 38,000 State highway lane miles and over 7,500 bridges. Moreover, DOT partially funds locally operated transit systems, local government highway and bridge construction, and rail, airport, and canal programs.<sup>1</sup>

The Department is led by Commissioner Stanley Gee and employs a workforce of roughly 9,700 full-time employees (FTEs), which is expected to be reduced to 9,610 this year. For FY 2010-11, DOT's expected budget is \$8.8 billion (\$97.6 million General Fund; \$4.3 billion Capital Projects Funds; \$4.4 billion Other Funds), representing an overall decrease of \$3.46 billion from 2009-10 levels.<sup>2</sup>

In addition to its \$8.8 billion operating budget, Commissioner Gee recently proposed a 5-year capital program (FY 2010-15) worth \$25.8 billion to maintain and expand state and local highways and bridges, intercity passenger and freight rail, suburban and upstate transit, ports, and airports. The pace at which this plan is completed depends on adequate financial resources at the Federal and State levels as well as investment from local government and private infrastructure owners.<sup>3</sup>

DOT is headquartered in Albany with 11 regional offices in Schenectady, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton, Hauppauge, and New York City. In addition to maintaining the State's infrastructure and designing highways and bridges, DOT employees perform snow and ice removal, inspect school

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<sup>1</sup> Governor's 2010-11 Executive Budget Agency Presentations, p.283.

<sup>2</sup> This net decrease is primarily due to the non-recurrence of capital appropriations from the American Recovery and Reinvestment Act (ARRA) and the 2005 Bond Act, among others (Ibid).

<sup>3</sup> New York State Department of Transportation, 2010-2015 Capital Program, available at: <https://www.nysdot.gov/programs/2010-2015-capital-program>.

and charter buses, regulate commercial transportation, oversee public transportation systems and State-owned airports, and provide administrative support as needed.<sup>4</sup>

## OVERVIEW

DOT is the third in a series of investigations to uncover inefficient spending and put forth recommendations that will maximize the use of taxpayers' money. The report is divided up as follows: section 1 covers DOT's overtime expenditures; section 2 discusses DOT's independent contracts and reliance on outside consultants; section 3 draws attention to DOT contracts with over-run costs and unused funds; section 4 exposes unnecessary spending as a result of changes in construction sign and concrete barrier specifications; section 5 highlights possible cost savings by reducing night work; and section 6 discusses contract close-out times. Section 7 of the report offers a summary of issues and recommendations, followed by closing remarks in section 8.

### I. OVERTIME SPENDING

According to a payroll snapshot of July 1, 2009, provided by the Comptroller's Office, DOT employs approximately 9,768<sup>5</sup> employees with annual salaries ranging from \$26,000 for a keyboard specialist to \$157,000 for the Executive Deputy Commissioner. In 2009, 7,423 of those employees earned some sort of overtime (OT), from as little as \$5 to as much as \$44,000.

The combined total in overtime was \$35.4 million, representing a 12.23% decrease from overtime wages earned in 2008. In addition to a reduction in overtime spending, DOT witnessed a 7.63% drop in the number of employees earning overtime, from 8,037 in 2008 to 7,423 in 2009 (Fig.1).

**Fig.1 Comparison of Overtime Spending & Overtime Earners (2008-2009)**

|                | 2008            | 2009            | Change          | % Change |
|----------------|-----------------|-----------------|-----------------|----------|
| # OT Employees | 8,037           | 7,423           | -613            | -7.63    |
| \$ Overtime    | \$40,374,642.11 | \$35,436,183.01 | -\$4,938,459.10 | -12.23   |

Among the top 10 DOT overtime earners in 2009, the highest paid overtime as a percentage of salary was 87.46% (Appendix 1). A closer look at the job titles reveals that 7 of these top 10 overtime earners were motor vehicle inspectors, all of them employed at DOT Region 11 (New York City). The other three included 2 bridge repair supervisors and one highway maintenance supervisor.

<sup>4</sup> Governor's 2010-11 Executive Budget Agency Presentations, p.283.

<sup>5</sup> This figure represents mostly full-time but also a few part-time employees earning annual salaries and differs from the 9,701 full-time employees noted in the Governor's "2010-11 Executive Budget Agency Presentations."

## Motor Vehicle Inspectors

Information provided by the New York State Department of Civil Services indicates that DOT currently fills 155 motor vehicle inspector positions. Motor vehicle inspectors are needed to perform semi-annual safety inspections on a wide variety of vehicles. "Of approximately 145,000 inspections conducted each year, almost 80% are performed on vehicles used in school transportation service, either directly by a public or private school or by a contractor hired to provide that service."<sup>6</sup> The remaining inspections are performed on ambulette, transit, motor coach charter service, and "for hire" passenger service vehicles.

As illustrated in the table below, 152 of DOT's 155 motor vehicle inspectors earned a combined \$1.2 million in overtime last year (Fig.2). While motor vehicle inspectors only rank sixth in the top ten categories of overtime earners for 2009, they still represent a significant percentage of DOT workers with the highest overtime earnings. The largest category of overtime earners was highway maintenance worker with a combined \$13.1 million in overtime earnings.

**Fig.2 Top 10 Categories of DOT Overtime Earners by Title (2009)**

| Rank | # OT Earners | Title               | Total Comp Rate | Average Comp Rate | OT Earnings  |
|------|--------------|---------------------|-----------------|-------------------|--------------|
| 1    | 2,903        | HIGHWAY MTC WORKER  | \$86,353,580    | \$35,362          | \$13,128,414 |
| 2    | 681          | HIGHWAY MTC SUPVR   | \$30,421,813    | \$48,212          | \$6,840,247  |
| 3    | 914          | CIVIL ENGR          | \$156,350,785   | \$72,755          | \$3,987,761  |
| 4    | 261          | BRIDGE REPAIR ASSNT | \$8,623,772     | \$35,932          | \$1,445,730  |
| 5    | 131          | BRIDGE REPAIR SUPVR | \$6,421,050     | \$51,783          | \$1,243,137  |
| 6    | 152          | MOTOR VEH INSPECTOR | \$7,482,936     | \$49,230          | \$1,199,659  |
| 7    | 166          | BRIDGE REPAIR MECH  | \$6,689,177     | \$44,595          | \$1,045,102  |
| 8    | 254          | PRIN ENGRG TECH     | \$20,027,787    | \$52,156          | \$821,720    |
| 9    | 217          | SENR ENGRG TECH     | \$13,128,272    | \$43,616          | \$670,270    |
| 10   | 106          | TRAFFIC SYS TECH    | \$4,473,507     | \$45,649          | \$611,020    |

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<sup>6</sup> New York State Department of Transportation, "Bus Inspection Program," available at: <http://www.nysdot.gov/divisions/operating/osss/bus/inspection>.

## Recommendation

Between 2008 and 2009, DOT decreased its overtime expenditures by over 12%, which is already a commendable achievement. As we address the extraordinary fiscal crisis facing the state, the Task Force encourages DOT to stay on track of its initiatives to cut non-essential expenditures and aim for a further reduction in overtime spending. An additional 10% decrease in overtime spending would result in \$3.5 million worth of annual savings to the state.

As illustrated in the table below, approximately two-thirds of NYSDOT overtime earners in 2009 were paid less than \$5,000 in addition to their regular salary, which represents approximately \$10 million or 30% of total overtime earned (Fig.3). Meanwhile, only 1.2% of overtime earners made over \$20,000 in addition to their regular salary (Fig.3). This means that, even if overtime was eliminated for just that small number of workers, the State could save \$2.4 million.

**Fig.3 2009 Overtime Earners by Pay Scale**

| # Overtime Earners | Amount of OT Earned | Total OT Earnings | % of Total OT Earners | % of Total OT Earnings |
|--------------------|---------------------|-------------------|-----------------------|------------------------|
| 5                  | Over \$40,000       | 210,897.06        | 0.07                  | 0.60                   |
| 22                 | Over \$30,000       | 785,589.04        | 0.30                  | 2.22                   |
| 90                 | Over \$20,000       | 2,390,550.95      | 1.21                  | 6.75                   |
| 258                | Over \$15,000       | 5,287,631.34      | 3.48                  | 14.92                  |
| 736                | Over \$10,000       | 10,999,972.93     | 9.92                  | 31.04                  |
| 2,797              | Over \$5,000        | 25,204,301.57     | 37.68                 | 71.13                  |
| 7,423              | Over \$0            | 35,436,183.01     | 100.00                | 100.00                 |

## II. INDEPENDENT CONTRACTS

A second key area of interest for the Task Force on Government Efficiency is DOT's heavy reliance on independent contractors. As the Governor's Task Force on Personal Contracting Services already noted in its December 2009 report, "State contracts for personal services have become an increasingly inviting target for potential savings."<sup>7</sup> A central question – especially in times of unprecedented fiscal crisis – is whether some, if not all, of DOT's contract work could be performed just as efficiently and at a lower cost by State employees.

Proponents of reducing contracting, such as the Public Employees Federation (PEF) and the Fiscal Policy Institute, have contended that DOT could save millions of dollars by reducing its reliance on outside service providers, particularly in the areas of engineering, information technology, and bridge inspection, which DOT employees can and should be able to perform just as competently.

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<sup>7</sup> Report on the Governor's Task Force on Personal Services Contracting, December 2009, p.4.



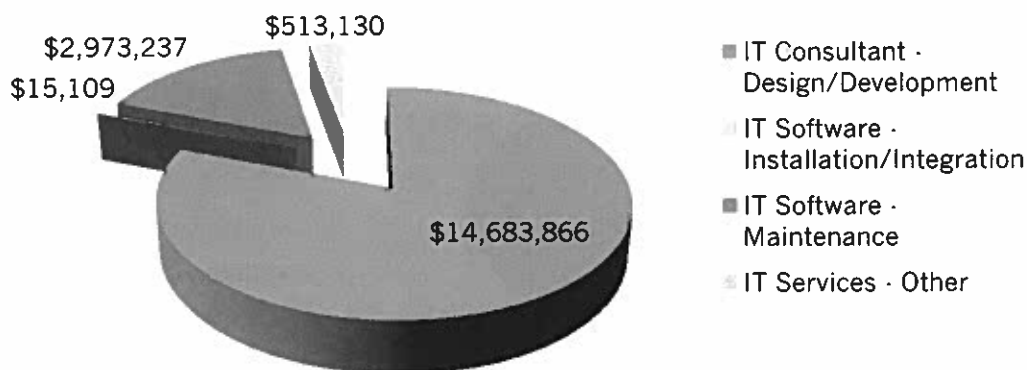
Opponents, on the other hand, believe that schedule constraints, lack of adequate staffing and expertise, and better risk management inevitably necessitate the creation of public-private partnerships. They contend that the private sector offers technical expertise and support that is simply not available in government agencies. Therefore, they argue, it is in the State's best interest to deploy independent contractors in order to successfully capitalize on the latest technologies and achieve the best possible outcomes.<sup>8</sup>

The Governor's Task Force, while acknowledging the obstacles to using State employees, has recognized the need to address those hindrances and to shift more work from contractors to in-house staff, especially in cases where the use of State employees would be the more optimal and cost-effective approach absent such restrictions.<sup>9</sup> This finding was particularly relevant for information technology (IT) jobs such as computer programming and data processing, which were predominantly out-sourced because State employees lacked the essential skills, knowledge, and training to perform the work required.

#### A. Information Technology (IT) Services

According to a recent PEF report, State spending on contracts in the categories of "IT Consultant – Design/Development" grew by more than \$12 million, from \$206.4 million in FY 2007-08 to \$219 million in FY 2008-09.<sup>10</sup> During that last fiscal year, DOT's share was 18.2 million, including \$14.7 million for IT design and development, and \$3 million for IT maintenance (Fig.4 & Appendix 2).

**Fig.4 DOT Consultant Services - Information Technology**



<sup>8</sup> Ibid, p.8

<sup>9</sup> Ibid, p.5

<sup>10</sup> New York State Public Employees Federation, "The Tip of the Iceberg," available at: <http://www.pef.org/gopublic2010.pdf>, p.6.

In an effort to generate cost savings and reduce the State's reliance on outside contractors, the Legislature passed Governor's Program Bill #207, now Chapter 500 of the Laws of 2009. The legislation allows agencies to create up to 500 new IT jobs, which will be filled by term appointments without requiring special examinations. The purpose is to bring individuals with specialized skill sets into the State workforce and to save money by reducing the number of IT contracts.<sup>11</sup>

## Recommendation

In response to this new law, DOT's FY 2010-11 Executive Budget now includes the creation of 15 new positions to replace consultant contracts in information technology,<sup>12</sup> a measure the Task Force fully supports and encourages DOT to continue. Data provided by PEF indicates that the Department could save an additional \$4.3 million if 100% of its IT design and development work, 50% of its IT software installation/integration, 50% of its IT software maintenance, and 30% of its other IT services were performed by State employees. Even if DOT only reduced its outsourcing of IT design and development by 50%, the Department could save over \$2.1 million.

## B. Consultant Services for Capital Projects

A second major contracting source is engineering, construction inspection, and bridge inspection for DOT's capital projects. While DOT has traditionally reported that it performs roughly 50% of its engineering work through outside contractors,<sup>13</sup> it is questionable whether this is being done in the most cost-effective manner. According to data provided by the State Comptroller's Office, DOT spent a total of \$257 million on consultant services for capital projects in FY 2008-09 alone (Fig.5 & Appendix 3).

**Fig.5 DOT Consultant Services - Capital Projects**



<sup>11</sup> New York State Department of Budget, "Term Appointments Fact Sheet for Candidates," available at: <http://www.budget.state.ny.us/guide/ITIn sourcing/CandidateFactSheet.pdf>.

<sup>12</sup> Governor's 2010-11 Executive Budget Agency Presentations, pp.283-285.

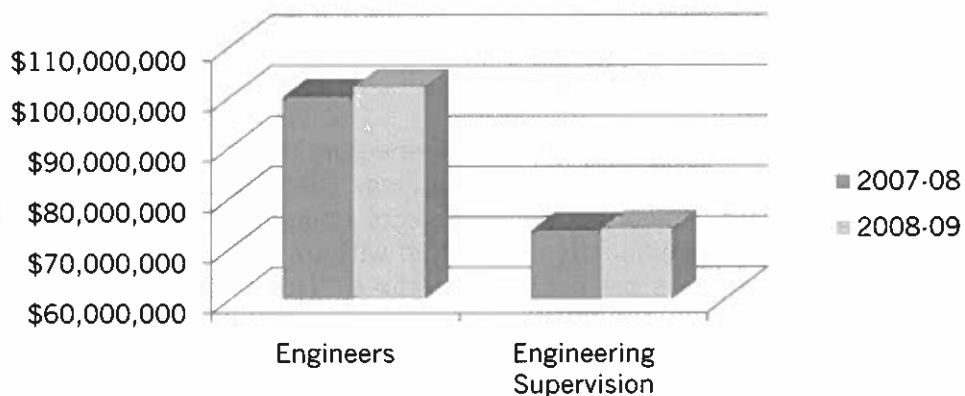
<sup>13</sup> F.H. (Bud) Griffis, "NYSDOT Engineering Design Costs: In-House Versus Outsourced Design," NYU Polytechnic Institute, Department of Civil Engineering, October 30, 2008, p.2.

### **(a) Engineering & Engineering Supervision**

Of these \$257 million, DOT spent \$102.1 million on engineering and \$74 million on engineering supervision – a combined \$2.5 million increase from the year before (Fig.6 & Appendix 3).

According to the 2009 report of the Governor's Task Force on Personal Contracting Services, the primary reason why DOT outsources engineering services "99% of the time" is lack of adequate staff. Allegedly, "because the Federal Highway Administration (FHA) and industry best practices mandate certain staffing levels, the absence of sufficient public employees inevitably necessitates outside contracts."<sup>14</sup> Another frequently cited obstacle has been the current hiring freeze which has prevented DOT from hiring full-time employees to perform the work of independent contractors, even if they had been able to do so in a more cost-effective manner.

**Fig.6 DOT Consultant Services - Engineering & Supervision**



Nevertheless, neither the hiring freeze nor industry best practices should pose a barrier to the effective management of taxpayers' monies. Specifically with regards to transportation engineering, but also in other areas where savings may potentially be realized, the Governor's Task Force recommended that agencies be allowed to hire employees under the condition that they are able to document savings that could be achieved by limiting outside contracts.<sup>15</sup>

### **(b) Construction Inspection**

A second area of capital project contracting is construction inspection. In FY 2008-09, the program's funding level was \$198 million; \$66.5 million was spent on contractors. According to the State Comptroller's Office DOT's construction inspectors are part of the

<sup>14</sup> Report on the Governor's Task Force on Personal Services Contracting, p.17.

<sup>15</sup> Ibid, p.19.

Department's larger engineering construction program, which provides for inspection and oversight of contract projects on the State highway and bridge system "to ensure compliance with plans and specifications, to enforce adherence to State and Federal laws and regulations and to ensure State contracts compliance."<sup>16</sup>

Construction inspectors are key to overseeing adherence plans and specifications – work that is performed routinely – so it is unclear why so much of it is contracted out instead of being carried out in-house. Numerous studies, including an internal review conducted back in 1986, indicate that the use of consultant engineers to supervise and inspect construction projects costs as much as 65% more than Department engineers, even though there is "no measurable difference in the quality of work done by the two groups."<sup>17</sup> This finding was supported by a study conducted by KPMG in 2001 which concluded that, with regard to construction inspection, "consultants are approximately 50% more expensive than in-house inspection sources."<sup>18</sup>

An additional point of contention is the longstanding claim that DOT consistently over-staffs the inspectors on its projects. According to one source, DOT produces approximately 400 projects per year, half of which are "simple" projects with no plans and likely a single engineer-in-charge overseeing multiple projects. The other half are fully detailed with plans and specifications and staffed with engineers-in-charge as well as inspectors to monitor the contractor's operations.

"These projects can have many DOT (or consultant) inspectors watching. Often, there is one DOT inspector for every crew a contractor has working. That means they are on site all day every day." A survey of 22 construction projects conducted in October 2008 revealed that most of them were significantly overstaffed with up to 1 inspector for every 2 staff members or 3 to 4 inspectors per crew (Appendix 4). However, most operations do not have critical work occurring on a continuous basis. In that respect, it would be much more cost-effective to hire one inspector for at least every two crews working on a given project.

### **(c) Bridge Inspection**

At the same time that DOT's construction inspection has come under fire, its high reliance on bridge inspection consultants is becoming increasingly controversial as well. According to data provided by the State Comptroller's Office, bridge inspection contract

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<sup>16</sup> New York State Division of the Budget, "DOT Core Mission," p.70, available at: [http://www.budget.state.ny.us/pubs/archive/fy0809archive/enacted0809/coreMissionBudgeting/DOT\\_CoreMission.pdf](http://www.budget.state.ny.us/pubs/archive/fy0809archive/enacted0809/coreMissionBudgeting/DOT_CoreMission.pdf).

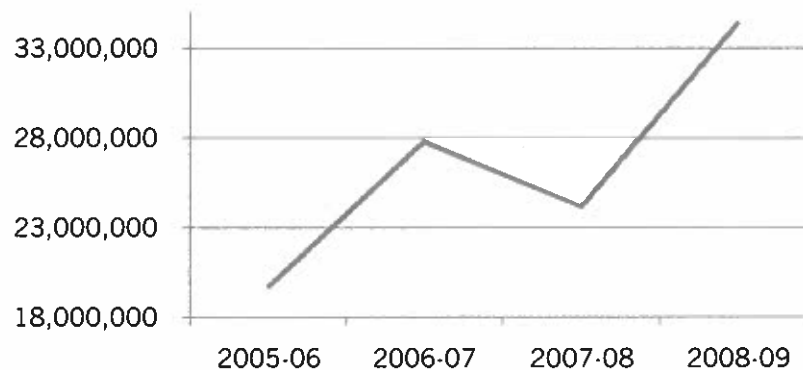
<sup>17</sup> Office of the New York State Comptroller, "Department of Transportation: Use of Consultant Engineers," Report #89-S-45, p.4, retrieved April 14, 2010, from Stop Privatization Website, available at: [http://www.stopprivatization.com/casestudies\\_dot\\_engineeringsvcs\\_02\\_regan\\_audit.pdf](http://www.stopprivatization.com/casestudies_dot_engineeringsvcs_02_regan_audit.pdf).

<sup>18</sup> Frank J. Mauro, "How the New York State Government Wastes Hundreds of Millions of Dollars Without Increasing Service Quality," Fiscal Policy Institute, June 2005, p.14.

costs have been steadily rising and, in fact, jumped from \$24.2 million in FY 2007-08 to \$34.4 million in FY 2008-09 – \$10 million in just one year (Fig.7 & Appendix 3).

This finding is of particular concern as studies conducted over the past three decades have consistently demonstrated that the cost of consultant bridge inspectors was significantly higher than that of Department inspectors.<sup>19</sup> According to Former State Comptroller Edward Egan, an internal review conducted by DOT in 1983 found that consultant engineers cost 32% more to inspect bridges than did Department inspectors.<sup>20</sup> A 1995 pilot program conducted in Syracuse and Watertown provided further indication that it was more economical to use in-house sources rather than consultant engineers.<sup>21</sup> Given these findings and the fact that bridge inspections occur on a regular basis, DOT should be using its in-house resources to do this type of work.

**Fig.7 DOT Bridge Inspection Contract Costs**



## Recommendations

DOT did acknowledge that, in instances where it had the flexibility to hire state employees, savings could be achieved most quickly in the following two areas: construction design and construction inspection.<sup>22</sup> Given this realization, the Task Force recommends the following actions to maximize cost efficiency and generate State savings:

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<sup>19</sup> PEF's 2009 report ("Tip of the Iceberg") states that "studies from the Office of State Comptroller and KPMG have consistently shown that it costs up to 75% more to use private consultants to do bridge inspections than state employees" (p.7).

<sup>20</sup> Office of the New York State Comptroller, "Department of Transportation: Use of Consultant Engineers," Report #89-S-45, p.5.

<sup>21</sup> Office of the New York State Comptroller, Division of Management Audit and State Financial Services, Report #97-S-12, p.13.

<sup>22</sup> Report on the Governor's Task Force on Personal Services Contracting, p.18.

### **(a) Engineering & Engineering Supervision: \$24.1 million**

As with construction inspection, construction design is carried out by DOT's Engineering Division and typically involves preparing plans and specifications for capital improvements and contract maintenance on the State highway and bridge system.

In FY 2009-10, DOT's engineering design program funding level was \$225.7 million dollars. While the \$176.1 million in consultant contracts for engineering and engineering supervision services highlighted earlier includes not only design but also construction, structures, and technical services, it is clear that DOT could still save a significant amount of money even if it only cut back on its engineering design contracts and shifted some of this work in-house.

According to calculations by the Public Employees Federation (PEF), DOT could save \$44.2 million if 90% of its engineering consultant services were performed in-house, and an additional \$28.2 million if 90% of its engineering supervision services currently under contract with outside consultants was performed by State employees – figures that were derived comparing adjusted average consultant costs to comparable state employee costs, including fringe benefits.<sup>23</sup>

As the Division of Budget already noted, DOT “depends on its state force as a cost-effective method to provide engineering design services.”<sup>24</sup> Assuming PEF's numbers are correct, even if DOT only reduced its engineering & engineering supervision contracts by 30% - a goal that may be somewhat easier to achieve - the Department could still save \$24.1 million.

### **(b) Construction Inspection: \$16 million**

If \$66.5 million was spent on consultant construction inspectors in FY 2008-09 alone, and using KPMG's finding that contractors are 50% more expensive than Department staff, DOT could have saved \$33.25 million if it had conducted 100% of this work in-house. If, as with its engineering services, DOT now shifted 30% of its construction inspection to its in-house forces, it could arguably save \$10 million.

In addition to reducing its reliance on consultant construction inspectors, DOT should consider reducing the number of inspectors on its construction sites. As previously mentioned, DOT carries out an average of 400 construction projects per year, half (or 200) of which are complex projects requiring multiple inspectors on site. Assuming the average cost of a seasonal inspector is roughly \$30,000 (including benefits and training), DOT could, therefore, save \$6 million if the number of inspectors per project was reduced by just one person.

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<sup>23</sup> Public Employees Federation of New York, p.13.

<sup>24</sup> New York State Division of the Budget, p.58.

### **(c) Bridge Inspection: \$3.7 million**

In addition to these \$12 million in expected savings, PEF estimates that, if 90% of bridge inspection consultants were replaced by State employees, DOT could save at least \$11.2 million per year.<sup>25</sup> As with savings on engineering and engineering supervision costs, even if DOT opted for a more conservative target of 30%, the Department could still save \$3.7 million.

### **C. Deer Carcass Removal Services**

In addition to IT, engineering, construction inspection, and bridge inspection, a further – albeit, much different – area of outsourcing is the removal of deer carcasses. Over the past 5 years, DOT approved 6 contracts for the removal of deer carcasses in various service zones worth \$1.1 million (Appendix 5). Almost \$900,000 has already been spent, and the contracts are set to expire on July 31<sup>st</sup> of this year. Three of these contracts have a combined over-run cost of \$55,230, a concept that is explored in more detail in section III of this report.

The handling of animal carcasses has become a growing concern for DOT, which responds to nearly 20,000 deer mortalities per year (Appendix 6). Region 8 in particular has been experiencing higher rates of deer/vehicle accidents on account of the growing deer population in the lower Hudson Valley. In FY 2000, DOT Region 8 reported approximately 8,000 dead deer, which is equal to one-third of all deer kills along DOT's highways.<sup>26</sup>

#### **Deer Carcass Removal & Disposal**

The disposal of deer carcasses is a very labor-intensive process that requires close cooperation with the NYS Department of Environmental Conservation (NYSDEC). Stringent environmental regulations and growing developmental pressures prohibit deer from simply being disposed of in wooded areas. Deer picked up during weekend hours must be kept at a yard site until transfer to a landfill or other disposal option is possible. Deer that are stored in a yard for more than 12 hours begin to decompose; therefore, they have to be taken care of as soon as possible.<sup>27</sup>

Current deer carcass disposal practices involve either: (a) dragging the deer into the woods and letting it decompose naturally (this is the preferred method for removing individual deer carcasses that are found in remote locations, away from towns and villages); (b) bringing the deer carcass to a landfill (although more and more landfills are reducing their acceptance of deer carcasses because of concerns over chronic wasting diseases and ground water contamination); (c) dumping the deer in so-called “deer burial

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<sup>25</sup> Public Employees Federation of New York, p.13.

<sup>26</sup> New York State Department of Transportation Region 8, “Road-Kill Deer Carcass Composting,” Operation and Maintenance Manual, August 2006, p.4.

<sup>27</sup> Ibid.

pits" which allow up to 10 deer to be buried at a time; or (d) transporting the deer to a composting site. This last practice is often the preferred option because, unlike deer burial pits, it allows for the composting of multiple deer carcass "layers" at once and achieves total body decomposition in a relatively short period of time (i.e. 10-12 months). The compost end product, once considered safe, can then be re-used for State purposes within the highway environment.

At present, DOT owns approximately 23+ deer composting facilities across the State. The relative ease and effectiveness of deer composting has led the Department to further expand this practice; roughly ½ of all deer carcasses are already being composted, and a few more composting facilities are expected to be added this year.

#### Contracting Out Deer Carcass Removal Services

According to the Cornell Waste Management Institute, DOT often contracts with service providers to pick up and dispose of the animals; yet, collection services are costly. "Contractors are paid between \$30 and \$125 per deer for pick-up and disposal. Landfills often either do not accept or restrict carcasses. Disposal options are thus limited."<sup>28</sup> Most recent available data reveals that statewide deer carcass removal contract prices differ over some twenty counties, with a range of \$30-\$82 for weekdays and double that for weekends. The average price, according to DOT, amounts to \$52 and \$120 per deer, respectively.

Most of DOT's contractor use occurs during evenings and weekends, when deer carcasses lie on the roadway or shoulder, thereby posing a hazard to the traveling public. Allegedly, contractors dispose of about 1,500 deer carcasses, and state crews about 15,000. In FY 2007-08, however, contractors were paid a combined \$181,000 to remove 4,300 deer carcasses in Region 4 alone. This fiscal year contractors were paid a total of \$153,000.

A statement released by DOT claims that "[the Department] engages in carcass removal services by vendors in areas where it is cost effective, or, if state forces are not available." The average direct labor cost paid for state crews to pick up deer was \$71 for FY 2009-10. When benefits and other payroll related items are included, this cost increased to an average of \$120 per deer – slightly more than the average labor cost for contractors.

Still, it is unclear, why Region 4 – according to one source – virtually contracts out all of its deer carcass removal services, when it has 213 highway maintenance workers on staff (Appendix 7), who could arguably perform the duties within their current job description at no additional cost to the State. A similar argument can be made for DOT Regions 3 and 5, which have also contracted with at least two providers for \$400,000 worth of services, despite the fact that they together already employ 556 highway maintenance workers and 2 laborers (Fig.8 & Appendix 7).

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<sup>28</sup> Jean Bonhotal & al., "Composting Road Kill," Cornell Waste Management Institute, available at: <http://cwmi.css.cornell.edu/roadkillfs.pdf>.



It is also notable that only one of the six contractors – Magnum Force Pest Elimination – specializes in the removal of wildlife (Fig.8). Clearview Maintenance’s primary service is graffiti removal and the little information available for Pullens Truck Center suggests that the company’s work typically only revolves around heavy towing and recovery. No information could be found on the other three contractors.

A source familiar with deer carcass removal services further reveals that contractors often do not dispose of road kill in a timely manner. “They will wait for days until they pick up the deer because it is simply more lucrative for them to pick up multiple deer at once rather than taking care of them one at a time.” Since contractors are paid per carcass retrieved, this practice also is ultimately also more costly for the State since contractors will receive multiple pick-up fees for deer carcasses located in close proximity to each other.

**Fig.8 Top 3 Deer Carcass Removal Contractors**

| <b>Contractor</b>             | <b>Contract (\$)</b> | <b>Business Location</b> | <b>Closest DOT Region</b>       | <b>Business Description</b>                                                                                                             |
|-------------------------------|----------------------|--------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Magnum Force Pest Elimination | \$388,930            | Phelps, NY               | Region 4 (Rochester)<br>36.2 mi | Specializes in the removal of all pests, including wasps, rats, bats, hornets, and nuisance wildlife                                    |
| Clearview Maintenance Corp    | \$250,000            | Buffalo, NY              | Region 5 (Buffalo)<br>0.0 mi    | Specializes in graffiti removal and offers window cleaning, power washing, janitorial services, snow plowing, and high lifting services |
| Pullens Truck Center          | \$150,000            | Weedsport, NY            | Region 3 (Syracuse)<br>27.1 mi  | Specializes in heavy towing, recovery & road service                                                                                    |

### **Recommendation**

Given the added cost of outsourcing deer carcass removal services, the apparent lack of responsiveness on the part of DOT’s contractors and the clear environmental and economic benefit of composting road kill compared to other disposal methods, DOT should take active steps towards eliminating its reliance on outside contractors and expanding its existing deer composting facilities. “Conservative estimates by regional representatives report a combined [potential] savings of \$120,000 per year in tipping fees [at landfills] and contractors costs”<sup>29</sup> if deer pits were eliminated and deer carcass removal services performed in-house.

<sup>29</sup> Elisabeth Kolb, “Composting Roadkilled Deer,” Public Roads, July/August 2006, (70)(1), available at: <http://www.tfhr.gov/pubrds/06jul/02.htm>.

#### **D. Tree Pruning Services**

In addition to deer carcass removal, DOT contracts out much of its tree pruning services as well. Since 2007, DOT has approved 14 contracts for hazardous tree, stump, and brush removal, and tree pruning services at a total price of \$29.6 million. \$3.2 million has been spent to date, and all of these contracts are set to expire by June 2010 at the latest (Appendix 8).

The first question is: why could these tree pruning services not have been performed in-house? As with deer carcass removal, tree pruning is a labor intensive task that needs to be performed routinely, and DOT already hires employees with the requisite job titles.

The second question pertains to contract management: if only \$3.2 million in tree pruning and brush removal services were needed, why did DOT approve nearly ten times that amount? In fact, 3 of the 14 contracts – worth \$1.6 million – are set to expire by June 2010 and yet all of them are still waiting for 100% of their funds to be disbursed (Appendix 8). (This issue is explored in more detail in part III of the report.)

#### **Recommendation**

Instead of spending \$3.2 million over three years – or \$1 million per year – on independent contractors, DOT should consider shifting more, if not all, of its tree pruning services in-house. As illustrated in the table below, DOT already has 39 statewide tree pruners at its disposal, each paid an average salary of \$37,000 per year (Fig.9). DOT should conduct a cost-benefit analysis in order to determine whether the \$1 million it spends on 11 private tree pruning companies each year may not be better spent on hiring additional full-time employees.

**Fig.9 DOT's In-House Tree Pruning Staff (as of July 1, 2009)**

| <b>DOT Region</b> | <b>Title</b>       | <b># Employees</b> | <b>Avg Salary</b>  |
|-------------------|--------------------|--------------------|--------------------|
| Region 1          | TREE PRUNER        | 5                  | \$32,870.80        |
| Region 2          | TREE PRUNER        | 5                  | \$35,394.00        |
| Region 3          | TREE PRUNER        | 1                  | \$36,140.67        |
| Region 4          | TREE PRUNER        | 2                  | \$39,945.00        |
| Region 5          | TREE PRUNER        | 4                  | \$37,055.50        |
| Region 6          | TREE PRUNER        | 2                  | \$35,431.00        |
| Region 7          | TREE PRUNER        | 2                  | \$40,396.50        |
| Region 8          | TREE PRUNER        | 7                  | \$34,766.71        |
| Region 9          | TREE PRUNER        | 5                  | \$37,588.40        |
| Region 10         | TREE PRUNER        | 6                  | \$38,375.17        |
| <b>TOTAL</b>      | <b>TREE PRUNER</b> | <b>39</b>          | <b>\$36,796.37</b> |

Using PEF's model of calculating State savings, if the average tree pruner's salary was \$54,020 per year (which includes an additional 46% to account for benefits), the \$1 million spent on tree pruning contracts every year could just as well be spent on the salaries and benefits of 18 State employees. Alternatively, assuming that the cost of performing these services in-house is roughly 50% cheaper, DOT could easily save \$500,000 per year, simply by taking advantage of its internal workforce.

### **III. Contract Management**

In addition to shifting more services to its in-house staff, the Task Force on Government Efficiency is concerned over the general management of DOT's contracts with outside service providers.

DOT's Contract Management Bureau develops, reviews, and implements a range of contracts that include: (1) engineering and consultant agreements with licensed professional engineers, surveyor architects, etc.; (2) construction, local and miscellaneous agreements with construction contractors, local governments and State and federal agencies; and (3) non-engineering consultant agreements with other professionals involved in materials testing, information technology, etc.

As soon as contracts are drawn up, they are sent to the Attorney General's Office and from there on to the Comptroller's Office to ensure that procurements reflect fair prices and legal negotiation practices. Records made available by the New York State Comptroller's Office reveal a total of 7,026 contracts (both open and closed) worth \$15.5 billion, of which DOT has spent a little over half, or \$8.6 billion, to date.

#### **A. Contract Over-Run Costs**

While contracts are usually approved using the best cost estimates available, the Task Force has identified a number of DOT contracts for commodities and services with a combined \$2.8 million in over-run costs.

##### **(a) Commodity Contracts**

Since 2002, DOT has approved a total of 96 commodity contracts valued at \$32.4 million. These include "open contracts" that are either still active or have been completed but not yet closed as well as "closed contracts" that were either completed, partially finished, or never started and expired in 2009. Commodities purchased under these contracts include bridge expansion joints, case loader and tractor parts, portable light towers, steel cutting edges for snow plows, engine replacement parts, and the like.

Out of the \$32.4 million in commodity contracts, DOT has spent roughly two-thirds, or \$21.3 million, to date. Eighteen of the 96 commodity contracts on file have a combined over-run cost of \$2 million – nearly 1.5 times more than the originally approved expense of \$3.9 million. This figure includes a contract for bridge expansion joints with a company called Liquid Concrete whose cost has surpassed the original bid by \$1.2 million (Appendix 9).

### **(b) Service Contracts**

A second area of over-run costs is DOT's service contracts. Over the past 7 years, DOT has approved 175 contracts worth \$125.6 million for various services ranging from tree and deer carcass removal to roadside assistance, technical support, and data analysis. Five of these 175 service contracts, including three for deer carcass removal services, one for culvert cleaning, and one for statewide roadside ditch maintenance, had over-run costs of close to \$840,000 (Fig.10). All except for one of these contracts are still open, which begs the question by how much more DOT will exceed the cost originally approved.

According to DOT, there are many factors such as unforeseen site conditions, price adjustment clauses, utility conflicts, and changes in geology, that can arise during construction, so changes in project costs are virtually expected. The only person in a position to judge the adequacy of a project's design and respond to the needed changes is the engineer. When changes do occur, however, DOT – in conjunction with the contractor – prepares a contract change order to reflect how the State is going to pay for these costs.

**Fig.10 Service Contracts with Over-Run Costs**

| <b>Vendor Name</b>          | <b>Current Contract Amount</b> | <b>Spending to Date</b> | <b>Contract Start Date</b> | <b>Contract End Date</b> | <b>Contract \$ Left</b> | <b>Description</b>         |
|-----------------------------|--------------------------------|-------------------------|----------------------------|--------------------------|-------------------------|----------------------------|
| PIPE-EYE SEWER SERVICES INC | \$1,323,423                    | \$1,656,516             | 05/01/2004                 | 04/30/2009               | (\$333,093)             | Culvert Cleaning           |
| SIMONSEN ENTERPRISES        | \$150,000                      | \$198,488               | 08/01/2005                 | 07/31/2010               | (\$48,488)              | Deer Carcass Removal       |
| TOBY EDWARDS                | \$50,000                       | \$52,130                | 08/01/2005                 | 07/31/2010               | (\$2,130)               | Deer Carcass Removal       |
| JAMES H VERSCHNEIDER        | \$75,000                       | \$79,613                | 08/01/2005                 | 07/31/2010               | (\$4,612)               | Deer Carcass Removal       |
| UCC CONSTRUCTORS INC        | \$1,824,400                    | \$2,274,707             | 09/15/2005                 | 09/14/2010               | (\$450,307)             | Roadside Ditch Maintenance |
| <b>TOTAL: 5</b>             | <b>\$3,422,823</b>             | <b>\$4,261,453</b>      | <b>2004</b>                | <b>2010</b>              | <b>(\$838,630)</b>      | <b>TOTAL</b>               |

Unfortunately, the data provided by the State Comptroller's Office does not indicate that this procedure was actually followed; otherwise, the contract expenditures would not have exceeded the amount originally approved.

### **B. Unfunded & Expired Contracts**

In addition to the \$2.8 million in over-run costs, the Task Force has identified 479 contracts worth \$147.5 million that were approved but expired before the agreed upon

project or service was ever started. In other words, millions of dollars that were originally allocated towards these contracts were put on hold – often for years at a time – but never spent.

According to DOT, contracts that have expired without any money being spent typically involve a local government, utility or railroad that does not bill for its incurred costs in a timely manner. In these cases, the Department says, DOT has to petition for a contract extension in order to have the bills paid. However, even if intergovernmental contracts, grants, and land purchase agreements – the bulk of unfunded and expired contracts – are left out of the equation, this still leaves 54 contracts with a combined \$7.1 million that are unaccounted for (Fig.11).

Moreover, what happens to funds that were appropriated to a particular contract or project but never used? According to DOT, if a project does not proceed to completion and the contract is closed, any federal, state, or bond funds would be unencumbered, and they could then be used on other projects. While that may be true, the money that was originally set aside for a particular project ends up being held – sometimes for years – until a decision is finally made to re-appropriate it towards a different project instead.

**Fig.11 DOT Contracts To Date\***

| <b>Contract Type</b>    | <b># Contracts</b> | <b>Contract Value (\$)</b> | <b>Amount Spent (\$)</b> | <b># Expired &amp; Unfunded Contracts</b> | <b>Expired &amp; Unfunded Contracts (\$)</b> |
|-------------------------|--------------------|----------------------------|--------------------------|-------------------------------------------|----------------------------------------------|
| Commodity               | 96                 | \$32.4 M                   | \$21.3 M                 | 12                                        | \$690,100                                    |
| Construction            | 1,362              | \$8.5 B                    | \$4.8 B                  | 9                                         | \$5.1 M                                      |
| Consulting              | 577                | \$2.1 B                    | \$1.5 B                  | 5                                         | \$750,000                                    |
| Grants                  | 1,098              | \$447.4 M                  | \$0.0                    | 86                                        | \$35.4 M                                     |
| Intergovernmental       | 231                | \$738.6 M                  | \$238.5 M                | 16                                        | \$64.7 M                                     |
| Land Purchase           | 1,124              | \$227.8 M                  | \$129.9 M                | 323                                       | \$40.3 M                                     |
| Service                 | 175                | \$251.2 M                  | \$125.6 M                | 5                                         | \$336,700                                    |
| Small Dollar            | 457                | \$6.8 M                    | \$4.0 M                  | 23                                        | \$209,300                                    |
| <b>Total</b>            | <b>5,120</b>       | <b>\$12.3 B</b>            | <b>\$6.9 B</b>           | <b>479</b>                                | <b>\$147.5 M</b>                             |
| <b>Total (adjusted)</b> | <b>2,667</b>       | <b>\$10.9 B</b>            | <b>\$6.4 B</b>           | <b>54</b>                                 | <b>\$7.1 M</b>                               |

\*Excludes revenue-generating and State repayment contracts.

Besides the fact that \$147.5 million in approved contracts were never paid for, it is curious why DOT would approve a grand total of \$12.3 billion in contracts (Fig.11), if it only actually intended on spending part of it. While the 5,120 contracts referenced in the table above include both closed contracts that expired prior to 2010 and open contracts

with an expiration date as far away as 2050, it is questionable why DOT consistently only spends about 50-75% of its approved contract amounts.

As mentioned in part II of the report, the need for tree removal service contracts referenced in Appendix 8 was estimated for \$30 million over the course of 3 years, from 2007 to 2010, but only \$3.2 million was spent. This means DOT overestimated the cost of tree removal service contracts by nearly \$9 million per year!

As the State Comptroller's Bureau of Contracts stated, DOT's engineers try to do their best to estimate the contract costs before they are submitted to the Attorney General's Office and then to the State Comptroller for approval. "They have no crystal ball that enables them to determine the exact amount any given project is going to cost." Therefore, it is not surprising that contract cost estimates will – more often than not – slightly exceed the amount that is ultimately expended.

Nevertheless, when DOT proposes a 5-year capital program as large as \$25.8 billion and is expected to receive an operating budget as large as \$8.8 billion (see page 3), it must have some sense of the goods and services required for its construction projects in any given year. As Commissioner Gee rightly noted, "This Capital Program was developed during challenging times. The State is confronting unprecedented fiscal challenges, even as our transportation infrastructure continues to age and demand for its use increases."<sup>30</sup> Given the State's predicament, it therefore even more so critical to estimate anticipated expenditures as accurately as possible.

As one DOT analyst at the Division of Budget (DOB), explained, "the world of capital contracts is very different from that of other contracts," and "it would take an entire army of analysts" to weed through every single contract, with all of its built-in contingencies, to identify wasteful or inefficient spending. So while DOB already takes a global approach that accounts for historical trends in spending plans to determine DOT's budget, the fact that the Department consistently overestimates contract costs by an average of 25-50% does beg the question, where does one draw the line? What is considered an "acceptable" cushion to buffer against unforeseen expenditures, and what is considered "over the top"?

### **Summary & Recommendation**

The Task Force is concerned that contracts are entered into without proper knowledge of the costs that are likely to be incurred, and that common procedures to revising State contracts are not being followed. This finding is especially worrisome given the current fiscal crisis. How can the State control agency spending when the cost of contracts is overestimated by a large margin and established protocols are not adhered to?

With regards to the \$147.5 million in expired contracts, it is clear that any contract extension or revision requires additional paperwork and man hours, not to mention time. Therefore, while DOT arguably did save money by not paying for them, the Department

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<sup>30</sup> New York State Department of Transportation, 2010-2015 Capital Program.

still created an administrative inefficiency that could have been prevented altogether had the needs for these goods and services been adequately assessed.

The Task Force recommends that DOT review the procedures it has in place for cost evaluation, contract negotiation and approval prior to entering into agreements with its contractors and suppliers. It is understandable that some costs may be unprecedented depending on price fluctuations and other outside factors; still, expenditures should be realistically and sensibly assessed to every extent possible in order to make the most efficient use of State funds.

#### **IV. Revisions to DOT Specifications**

In addition to DOT's overtime spending, high reliance on outside contractors, and questionable contract management, the Task Force identified a fourth source of government waste: DOT's revision of standard specifications for construction signs and concrete barriers.

##### **A. Construction Signs**

In 2006, DOT released Engineering Instruction (EI) 06-016 to inform contractors of revisions to the standard specifications for orange construction signs that required full compliance by January 2009.<sup>31</sup> Instead of continuing the use of ASTM Type VII sheeting, DOT changed the specifications to require the use of ASTM Type IX sheeting which, it claims, provides "improved visibility and legibility when compared to other available types of sheeting." This conclusion was the result of a sign sheeting demonstration project, which determined that ASTM Types VIII and IX had "a wider retroreflective angularity that [enabled] signs to be more visible and conspicuous, as well as free of blotchy appearance typical of ASTM Type VII sheeting."<sup>32</sup>

The implementation of this new requirement was not expected to have a significant impact on the cost of construction signs, especially since they were thought to have a service life of only 3 years. In fact, DOT stated in its Engineering Instruction that "Orange Type IX sheeting is acceptable for use on construction signs on any on-going contract at no additional cost to the State."<sup>33</sup>

However, allegedly DOT never consulted with industry players prior to issuing its new specifications. A typical construction sign can actually have a much longer service life than three years – the Federal Highway Administration (FHWA) actually estimates the

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<sup>31</sup> New York State Department of Transportation, "EI 06-016," available at: <https://www.nysdot.gov/main/business-center/consultants/forms-publications-and-instructions/engineering-information-issuance-system/ei-repository/ei06016.pdf>.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid (emphasis added).

service life of a typical construction sign to be 12 years<sup>34</sup> – and while the use of orange Type IX sheeting was not considered to have a fiscal impact to the State, it still represents a significant cost to the contractor – a cost that will ultimately be passed on to the State.

Furthermore, federal regulations for signs do not require Type IX sheeting, and lower types are still used in other states. According to Greg Schertz, Retroreflective Team Leader at the FHWA, there actually are no federal standards for reflective sheeting – that is an area left entirely to States' discretion.

According to Dr. Paul Carlson, Research Engineer at the Texas Transportation Institute (TTI), "Most State DOT's specify retroreflective sheeting traffic signs using ASTM D4956, which designates sign sheeting by "Type." When D4956 was revised in 2001, three new "Types" were added (VII, VII, and IX). (...) Each of these 'Types' was so narrowly defined in D4956-01 that only one single manufacturer satisfied each Type criteria. At that time, agencies exclusively specifying Type VII, VIII, or IX were indirectly specifying a sole-source product and therefore limiting competition." In New York State, the newly specified sole-source product was ASTM Type IX, and because it limited competition, it was also more costly to obtain.

Meanwhile, research demonstrated that a higher ASTM type designation did not necessarily imply greater performance compared to lower designations. In fact, the FHWA revealed that guide signs made with Type IX sheeting "do not have statistically significant longer viewing distances than those made with Type VII or VIII sheeting, even when viewed from large trucks," and that "guide sign legends made with Types VII, VIII, and IX sheeting produce statistically similar legibility distances when viewed from passenger cars" as well.<sup>35</sup>

While the new sheeting specifications have already been phased in, it would have been helpful for DOT to consider other sources of unbiased research to determine whether new sheeting specifications would ultimately result in a benefit to road users that outweighed the cost to both the State and the contractor industry. The total average cost of replacing old signs with new ones, according to the revised specifications: \$335,000 per company or \$27 million to the industry and the State as a whole (Fig.12).

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<sup>34</sup> Federal Highway Administration (FHWA) response to a Congressional letter from Schiff et al. following the question, "What is the estimated increased cost to the Federal government resulting from paying for the use of patented or proprietary items?", issued October 2009, provided by Dr. Paul Carlson, Research Engineer at the Texas Transportation Institute (TTI), on April 16, 2010.

<sup>35</sup> John Baxter, Acting Associate Administrator of Safety, "Sign Sheeting Proprietary Products," Federal Highway Administration, published January 13, 2006, available at: [http://safety.fhwa.dot.gov/roadway\\_dept/night\\_visib/policy\\_guide/memo\\_sgnsh011306.cfm](http://safety.fhwa.dot.gov/roadway_dept/night_visib/policy_guide/memo_sgnsh011306.cfm).



**Fig.12 Cost Analysis of New DOT Construction Sign Specifications**

| <b>Average Cost</b> | <b># Construction Signs</b> | <b>Cost: New @ \$10/Sign</b> |
|---------------------|-----------------------------|------------------------------|
| Company             | 33,545                      | \$335,454.40                 |
| Industry            | 2,688,315                   | \$26,883,151.43              |

### **Recommendation**

An ASTM Type XI sheeting was recently introduced that could further increase costs if DOT chooses to revise its specifications once again. "As of April 2010, Type XI only has one manufacturer and can be mistakenly specified by an agency resulting in a sole-source specification. It is the same consequence of specifying Type IX in the early 2000s. And there is no conclusive evidence to-date that Type XI provides longer legibility distances than Types VII or IX."<sup>36</sup>

In light of these findings and the fact that the State is facing a severe fiscal crisis, the Task Force urges DOT, the next time it intends to change its specifications, to carefully weigh the potential benefits against the cost of removing existing construction signs and replacing them with new ones.

### **B. Concrete Barriers**

A second questionable change in specifications that is costing the State millions of dollars is one involving temporary concrete barriers, or TCBs. According to Engineering Instruction EI 07-005 published in February 2007, DOT revised the material requirements for TCBs after the Department "discovered some problems with [the] fabrication of TCB when crash testing was conducted in the 1990s."<sup>37</sup> The new specification requires TCBs to be produced in accordance with "an approved QC/QA program, which provides additional assurances that TCB has been properly fabricated." In addition, TCBs must now be marked with "NYSDOT" in place of a Department contract number. Furthermore, each TCB segment must be marked with a manufacturer's identification and date of manufacture in a manner that will remain legible throughout its service life.

The "wear-out" date for existing inventories of TCBs is January 1, 2015. TCBs supplied prior to that date must be material certified in accordance with specific standard sheets or material details used for fabrication. In 2007, DOT's Office of Construction in conjunction with its Materials and Research Bureau was expected to evaluate contractors' existing inventories based on preliminary data obtained through various

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<sup>36</sup> Statement provided by Dr. Paul Carlson, Research Engineer at the Texas Transportation Institute, April 16, 2010.

<sup>37</sup> New York State Department of Transportation, EI 07-005," available at: <https://www.nysdot.gov/main/business-center/consultants/forms-publications-and-instructions/engineering-information-issuance-system/ei-repository/ei07005.pdf>.

crash testing procedures. The Task Force was told that the Associated General Contractors (AGC) asked for the results of this study, but received no response. By the time the new requirements for concrete barriers go into effect as planned in 2015, individual contractors will have been forced to pay an average cost of \$418,000 to remove "old" TCBs and replace them with new ones. The total cost to the industry is anticipated to be \$33.5 million, all of which, as with the construction sign specifications, will be passed on to the State (Fig.13).

**Fig.13 Waste & Cost Analysis of New DOT Concrete Barrier Specifications**

| <b>Average Cost</b> | <b>TCB footage<br/>(less than 10 years old)</b> | <b>Cost: New @<br/>\$36/foot</b> |
|---------------------|-------------------------------------------------|----------------------------------|
| Company             | 11,605                                          | \$417,770.50                     |
| Industry            | 929,998                                         | \$33,479,923.10                  |

### **Recommendation**

The Task Force understands the need for DOT to update its Maintenance and Protection of Traffic specifications. However, as with the construction sign sheeting, DOT should have not only carefully studied the safety issues surrounding TCBs but also considered alternative research to substantiate the need to invest \$33.5 million in new barriers. It is difficult to validate the need for new TCB specifications in 2015 when they are based on crash testing that was conducted in the 1990s.

### **V. Night Work**

A fifth area in which State funds could be spent more efficiently is night work. As illustrated in Appendix 9, the amount of night work performed has varied from year to year. Yet, according to industry estimates, both the annual and average costs of night work have nearly doubled over a time period of 7 years, from \$4 million to \$8 million and from \$70,000 to \$140,000, respectively.

According to the National Cooperative Highway Research Program (NCHRP), more and more states are scheduling construction work at night in order to avoid high traffic volumes during the day.<sup>38</sup> Nevertheless, while night work clearly has its advantages, several studies have also found that it is often more expensive than daytime work. Hinze and Carlisle (1990), for example, found that contract costs were 9% higher at night because of increased costs associated with traffic control requirements, lighting and worker overtime.<sup>39</sup>

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<sup>38</sup> National Cooperative Highway Research Program (NCHRP) Report 627, Traffic Safety Evaluation of Nighttime and Daytime Work Zones, available at: [http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp\\_rpt\\_627.pdf](http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_627.pdf).

<sup>39</sup> O.A. Elrahman, "Night-Time Road Construction Operations Synthesis of Practice," New York State Department of Transportation, Transportation Research & Development Bureau, published

## **Recommendation**

Assuming the results of the 1990 study still hold true and nighttime work is 9% more expensive than daytime work, DOT could save \$360,000 if it reduced its night work by approximately 50%. Since evidence on the cost of daytime work versus nighttime work is inconclusive, a more comprehensive analysis should be conducted to determine the feasibility of cost savings.

## **VI. Contract Close-Out Time**

A final point of contention is the amount of time it takes DOT to close out construction contracts. According to one source, once a project has been completed, it often takes DOT employees anywhere from a couple of months to over a year to close it out. Meanwhile, this process is not handled at DOT offices, but at an "office space" (often a trailer) provided on site by the respective contractor. The cost to DOT is, therefore, reflected in the need to pay for both the "temporary office" and the staff while finishing the close-out paperwork.

The average close-out time takes approximately 6 months, and both a DOT engineer-in-charge and an office engineer are usually tied up in this effort. Assuming that the cost of providing office space is \$3,000 per month, DOT salaries for these two employees is \$12,000 per month, and approximately 200 projects are closed out every year, DOT currently spends  $(6 \times 200 \times \$3,000) = \$3.6$  million in office space and  $(6 \times 200 \times \$12,000) = \$14.4$  million in employee salaries each year. The total estimated annual cost to DOT is, therefore, approximately \$18 million.

## **Recommendation**

If DOT reduced its contract close-out time by just 3 months, it could save \$9 million per year, taking into account the fact that DOT staff could be reassigned to new projects which they could then complete in a more timely manner. If, in addition, during the remaining 3-month time period, it performed at least 50% of its close-out paperwork at DOT offices instead of using rented office space on site, the Department could further save \$900,000 per year.

Given that these numbers are rough estimates, the Task Force recommends that DOT conduct a thorough analysis of its contract close-out costs and devise strategies to reduce these expenditures to a more manageable and realistic level.

## **VII. SUMMARY & RECOMMENDATIONS**

The New York State Department of Transportation (DOT) is one of the largest State agencies serving nearly 20 million people through its vast network of State and local highway systems, railroads, ports and aviation facilities every day. While DOT inevitably requires a large budget to carry out its duties and responsibilities, the Task Force has

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May 2008, available at: <https://www.nysdot.gov/divisions/engineering/technical-services/trans-r-and-d-repository/Final%20Night%20Time%20Report.pdf>, p.5.

identified a variety of measures that could not only generate significant cost savings but also improve the overall efficiency of the Department's operations.

### **I. Overtime Spending: \$3.5 million**

While DOT has already reduced its overtime spending by over 12% within the last year, further improvements can be made. The Task Force recommends reducing overtime expenditures by an additional 10%, which would result in \$3.5 million worth of savings to the State.

### **II. Independent Contracts: \$46.5 million**

DOT's heavy reliance on independent contractors is a further concern for the Task Force that has been consistently brought to light not only by the Public Employees Federation (PEF) but also by the Fiscal Policy Institute, the State Comptroller's Office and, most recently, the Governor's Task Force on Personal Services Contracting. In order to save money, the Task Force recommends that DOT decrease its outsourcing and shift more of its work to in-house forces in the following areas:

#### **A. Information Technology: \$2.1 million**

In FY 2008-09, DOT spent a total of \$18.2 million on consultant contracts in information technology. While the Department's FY2010-11 Executive Budget already accounts for the creation of 15 new IT positions, DOT could save an additional \$2.1 million by decreasing its IT design and development contracting costs by 50%.

#### **B. Consultant Services for Capital Projects: \$43.8 million**

DOT's second major contracting source is in the area of engineering design, construction inspection, and bridge inspection. A 30% decrease in contract costs for consultant engineers and engineering supervisors could generate \$24.1 million in savings; a 30% decrease in consultant construction inspectors could generate \$10 million in savings; reducing the number of inspectors per construction project by one person could save the State an additional \$6 million per year; and replacing 30% of bridge inspection contractors with State employees could decrease DOT costs by another \$3.7 million. Total estimated savings in consultant services for capital projects: \$43.8 million.

#### **C. Deer Carcass Removal Services: \$120,000**

DOT's contracting out of deer carcass removal services is a third area of concern for the Task Force. While arguably engineering and IT services may require some form of specialized skill, the removal of deer carcasses from state highways is a type of service that can – and should – be easily performed by any highway maintenance worker. Eliminating the use of deer pits and shifting deer carcass removal services in-house could save at least \$120,000 per year.

#### **D. Tree Pruning Services: \$500,000**

As with deer carcass removal services, it is unclear why DOT contracts out \$1 million worth of tree pruning services every year. Instead of using outside contractors, the Task Force estimates that DOT could better utilize these monies by expanding their in-house

full time staff by 18 State employees or by bringing the existing amount of work in-house for an approximate savings of \$500,000 per year.

### **III. Contract Management**

DOT's Contract Management Bureau is responsible for overseeing roughly 7,000 contracts. While, understandably, this is not an easy task, the Task Force identified a total of \$2.8 million in contract over-run costs as well as \$147.5 million in contracts that were approved but subsequently expired before any money was ever spent. The Task Force is concerned that common procedures to revising State contracts are not being followed, generating additional costs and administrative inefficiencies that could have been prevented had a more accurate cost assessment been made. The finding that DOT consistently over-estimates the costs of its contracts by 25%-50% is a further concern which the Task Force urges the Department to address.

### **IV. Revisions to DOT Specifications**

In an attempt to update its Maintenance and Protection of Traffic Safety requirements, DOT implemented a variety of changes to its specifications that, while well intended, carried with them some inadvertent consequences to the State. DOT's revisions to construction sign sheeting specifications will be costing the State approximately \$26.9 million – a cost it can no longer ward off, since the requirements have already been phased in. DOT's new specifications for temporary concrete barriers (TCBs) will cost the State an additional \$33.5 million; existing inventories are set to expire in 2015.

### **V. Night Work: \$360,000**

Another area of potential cost savings is DOT's nighttime construction work, whose costs have nearly doubled over the last 7 years. By reducing its night work by 50% and conducting it instead during the day, the Task Force estimates a possible cost savings of \$360,000.

### **VI. Contract Close-Out Time: \$10 million**

Last, but not least, DOT should reduce the amount of time it takes for its staff to close out existing contracts. A decrease in close-out time by 3 months could save the State as much as \$9 million dollars. Reducing DOT's reliance on on-site office space to complete its close-out paperwork by 50% could generate an additional \$900,000 in savings.

## SUMMARY

The total potential for cost savings identified at DOT is at least \$60.36 million (Fig.14(a)).

**Fig.14(a) Summary of Potential Cost Savings**

| Description                           | Estimated Cost Savings |
|---------------------------------------|------------------------|
| <b>Overtime Spending</b>              | <b>\$3.5 million</b>   |
| <b>Independent Contracts</b>          | <b>\$46.5 million</b>  |
| Information Technology                | \$2.1 million          |
| Engineering & Engineering Supervision | \$24.1 million         |
| Construction Inspection               | \$16 million           |
| Bridge Inspection                     | \$3.7 million          |
| Deer Carcass Removal Services         | \$120,000              |
| Tree Pruning Services                 | \$500,000              |
| <b>Night Work</b>                     | <b>\$360,000</b>       |
| <b>Contract Close-Out Time</b>        | <b>\$10 million</b>    |
| <b>Total</b>                          | <b>\$60.36 million</b> |

In addition, the Task Force discovered at least \$210.7 million in wasted funds that can no longer be recovered. These include \$150.3 million in the area of contract management and nearly \$60.4 million spent on replacing existing construction signs and temporary concrete barriers (Fig.14(b)).<sup>40</sup>

**Fig.14(b) Summary of Estimated Waste**

| Description                           | Estimated Waste        |
|---------------------------------------|------------------------|
| <b>Contract Management</b>            | <b>\$150.3 million</b> |
| Contract Over-Run Costs               | \$2.8 million          |
| Expired & Unfunded Contracts          | \$147.5 million        |
| <b>Revision of DOT Specifications</b> | <b>\$60.4 million</b>  |
| Construction Sign Sheeting            | \$26.9 million         |
| Temporary Concrete Barriers (TCBs)    | \$33.5 million         |
| <b>Total</b>                          | <b>\$210.7 million</b> |

<sup>40</sup> Efficiencies in the area of contract management could not be estimated but are, nevertheless, considered to be significant as a closer approximation of contract costs, which are ultimately factored into DOT's operating budget and 5-year capital plan, could lead to millions of dollars in potential savings. The estimated \$27 million in revised construction sign specification costs also no longer represent an area of potential savings as the new requirements have already been implemented. While the TCB specifications have not yet been phased in, they will translate into a further cost of \$33.5 million to the State.

## **VIII. CLOSING REMARKS**

As John F. Kennedy once remarked, the Chinese use two brush strokes to write the word “crisis.” One brush stroke stands for danger, the other for opportunity. In times of unprecedented fiscal crisis, when the State of New York is facing a \$9 billion budget deficit, it is imperative not only to be aware of the danger facing the prosperity and well-being of our people, but also to recognize the opportunity for change.

The Task Force on Government Efficiency has identified at least \$60.36 million in potential cost savings and put forth recommendations that will not only save taxpayers money but also increase the efficient use of State funds. With 113,000 miles of highway, more than 17,400 bridges, a 4,600-mile rail network, and 485 public and private aviation facilities, the Department of Transportation is a very large and complex organization that will certainly require as much assistance as possible to maintain the State’s infrastructure, support transit operations, and protect the safety of the travelling public.<sup>41</sup> Nevertheless, efficiencies can always be realized, and in times of financial hardship, it is up to the Department – and the State – to seize the opportunity and lead the way towards fiscal responsibility and meaningful reform.

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<sup>41</sup> Testimony of New York State Department of Transportation Acting Commissioner Stanley Gee Before the Joint Legislative Fiscal Committees, Legislative Office Building, Hearing Room B, Monday, February 8, 2010, p.1.

# TASK FORCE REPORT ON THE DEPARTMENT OF TRANSPORTATION - APPENDIX

Appendix 1: Top 10 Overtime Earners in 2009 & Comparison to Base Salary Rate

| Agency Name   | Title                  | 2009 OT Earnings | 2009 Total Earnings | % OT from Earnings | Salary Pay Rate | % OT from Salary |
|---------------|------------------------|------------------|---------------------|--------------------|-----------------|------------------|
| DOT REGION 11 | MOTOR VEH INSPECTOR    | \$44,193.39      | \$97,152.27         | 45.49              | \$50,531        | 87.46            |
| DOT REGION 11 | MOTOR VEH INSPECTOR    | \$42,484.80      | \$97,943.68         | 43.38              | \$50,531        | 84.08            |
| DOT REGION 11 | MOTOR VEH INSPECTOR    | \$41,587.58      | \$94,480.46         | 44.02              | \$50,531        | 82.30            |
| DOT REGION 8  | BRIDGE REPAIR SUPVR 2  | \$41,405.02      | \$102,402.96        | 40.43              | \$57,430        | 72.10            |
| DOT REGION 10 | HIGHWAY MTC SUPVR 2    | \$41,226.27      | \$99,165.34         | 41.57              | \$54,555        | 75.57            |
| DOT REGION 11 | MOTOR VEH INSPECTOR    | \$38,570.00      | \$92,778.88         | 41.57              | \$50,531        | 76.33            |
| DOT REGION 11 | MOTOR VEH INSPECTOR    | \$37,170.47      | \$92,629.35         | 40.13              | \$50,531        | 73.56            |
| DOT REGION 11 | MOTOR VEH INSPECTOR SL | \$36,882.26      | \$91,091.14         | 40.49              | \$50,531        | 72.99            |
| DOT REGION 8  | BRIDGE REPAIR SUPVR 2  | \$35,727.66      | \$95,179.68         | 37.54              | \$55,548        | 64.32            |
| DOT REGION 11 | MOTOR VEH INSPECTOR    | \$35,496.00      | \$90,954.88         | 39.03              | \$50,531        | 70.25            |
| TOTAL         |                        | \$394,743.45     | \$953,778.64        | 41.39              | \$521,250       | 75.73            |



**Appendix 2: NYSDOT Consultant Services – Information Technology (FY 2008-09)**

| <b>Object Code</b> | <b>Description</b>                           | <b>Consultant Costs</b> | <b>Consultant Hours Worked</b> | <b>Remaining Consultant Hours</b> | <b>Remaining Consultant Costs</b> | <b>Estimated Hours by Replacement w/ State Employees</b> | <b>State Employee Costs Doing Specified Work</b> | <b>Estimated # of State FTEs</b> | <b>Estimated Savings</b> |
|--------------------|----------------------------------------------|-------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------------------------------------------|--------------------------------------------------|----------------------------------|--------------------------|
| 5620_              | IT Consultant – Design/Develop (100%)        | \$14,683,866            | 207,165                        | 0                                 | \$0                               | 207,165                                                  | \$10,855,454                                     | 106                              | \$3,828,412              |
| 5624_              | IT Software Installation / Integration (50%) | \$15,109                | 213                            | 107                               | \$7,555                           | 107                                                      | \$5,585                                          | 0                                | \$1,970                  |
| 5626_              | IT Software Maintenance (50%)                | \$2,973,237             | 41,947                         | 20,974                            | \$1,486,618                       | 20,974                                                   | \$1,099,024                                      | 11                               | \$387,595                |
| 5629_              | IT Services – Other (30%)                    | \$513,130               | \$7,239                        | 5,068                             | \$359,191                         | 2,172                                                    | \$113,804                                        | 1                                | \$40,135                 |
|                    | <b>Total</b>                                 | <b>\$18,185,341</b>     | <b>256,565</b>                 | <b>26,148</b>                     | <b>\$1,853,364</b>                | <b>230,417</b>                                           | <b>\$12,073,866</b>                              | <b>118</b>                       | <b>\$4,258,112</b>       |

Source: Public Employees Federation (PEF)

**Appendix 3: NYSDOT Consultant Services – Capital Projects (FY 2008-09)\***

| <b>Year</b>              | <b>Architects</b> | <b>Engineers</b> | <b>Bridge Inspection</b> | <b>Engineering Supervision</b> | <b>Materials Testing</b> | <b>Other</b> |               |
|--------------------------|-------------------|------------------|--------------------------|--------------------------------|--------------------------|--------------|---------------|
|                          |                   | 71100            | 71105                    | 71110                          | 71115                    | 71120        | TOTALS        |
| 2000-01                  | \$0               | \$98,459,774     | \$16,308,679             | \$68,233,677                   | \$5,988,884              | \$26,248,944 | \$215,239,958 |
| 2001-02                  | \$737,147         | \$94,850,669     | \$10,915,321             | \$55,354,547                   | \$6,880,534              | \$19,777,053 | \$188,515,271 |
| 2002-03                  | \$1,680,205       | \$91,132,254     | \$23,542,051             | \$55,581,622                   | \$8,193,172              | \$27,229,280 | \$207,358,584 |
| 2003-04                  | \$748,593         | \$97,803,500     | \$19,240,843             | \$60,868,566                   | \$7,104,666              | \$18,834,583 | \$204,600,750 |
| 2004-05                  | \$90,397          | \$107,621,396    | \$27,118,369             | \$71,168,725                   | \$7,822,151              | \$30,761,485 | \$244,582,522 |
| 2005-06                  | \$29,927          | \$95,297,520     | \$19,730,397             | \$74,228,686                   | \$6,508,709              | \$27,489,588 | \$223,284,826 |
| 2006-07                  | \$4,114           | \$104,644,268    | \$27,775,679             | \$73,852,919                   | \$7,720,561              | \$32,239,093 | \$246,236,633 |
| 2007-08                  | \$0               | \$100,055,028    | \$24,168,553             | \$73,504,321                   | \$6,855,382              | \$29,059,495 | \$233,642,780 |
| 2008-09                  | \$0               | \$102,072,993    | \$34,380,425             | \$74,031,471                   | \$5,954,725              | \$40,558,501 | \$256,998,114 |
| 2009-10<br>(thru Feb'10) | \$0               | \$99,635,694     | \$31,954,231             | \$68,221,367                   | \$4,604,744              | \$37,409,284 | \$241,825,319 |

Source: Office of the New York State Comptroller

\*Includes consultant services charged to capital projects and special revenue funds.

#### Appendix 4: 2008 Survey of Staff on DOT Construction Sites

| Region          | DOT Staff* | Contractor Staff | # of Crews | Type of Work                                | Comments                                                                   |
|-----------------|------------|------------------|------------|---------------------------------------------|----------------------------------------------------------------------------|
| 1               | 7          | 30               | 6          | Highway Interchange Construction            |                                                                            |
| 1               | 3          | 3-5              | 1          | Paving, Misc.                               |                                                                            |
| 1               | 2          | 3-5              | 1          | Paving, Misc.                               |                                                                            |
| 2               | 5          | 0                | 0          | Street Rehab                                | This project has been overstaffed for the duration; currently in re-design |
| 2               | 7          | 9                | 2          | Superstructure Replacement                  |                                                                            |
| 3               | 5          | 8                | 2          | 4 Small Bridge Replacement                  |                                                                            |
| 3               | 6          | 25               | 5          | Paving, Misc.                               | 5-6 crews, up to 30 people at peak                                         |
| 3               | 4          | 4                | 1          | Street                                      |                                                                            |
| 6               | 3          | 8                | 2          | Bridge Rehabs                               |                                                                            |
| 7               | 14         | 25               | 4          | Street Reconstruction                       | This project has been overstaffed for the duration                         |
| 7               | 3          | 4                | 1          | Small Bridge                                |                                                                            |
| 8               | 2          | 3-5              | 1          | Paving, Misc.                               | Estimates are a bit slower                                                 |
| 8               | 3          | 3-5              | 1          | Paving, Misc.                               |                                                                            |
| 9               | 6          | 7                | 2          | Paving, Misc.                               |                                                                            |
| 9               | 5          | 3-5              | 2          | Pipe Lining, Guide Rail                     | This project has been overstaffed for the duration                         |
| 9               | 6          | 27               | 6          | Highway Reconstruction & Bridge Replacement |                                                                            |
| 9               | 8          | 20               | 6          | 8 Bridge Rehabs                             |                                                                            |
| 9               | 2          | 4                | 2          | 3 Small Bridge Rehabs                       |                                                                            |
| 9               | 6          | 12               | 3          | Bridge Repairs                              | Max 3 sites active at one time; max 4 crews                                |
| 9               | 4          | 7                | 2          | Bridge Replacement                          |                                                                            |
| County of Tioga | 1          | 4                | 1          | Small Bridge Replacement                    |                                                                            |
| Thruway Albany  | 2          | 3-5              | 1          | Highway Paving                              | 1 Engineer-In-Charge & sometimes 1 Inspector                               |

\*Includes both DOT inspectors and hired consultants; excludes temporary inspectors and materials' testing staff.

### Appendix 5: NYSDOT Contracts for Deer Carcass Removal Services

| Vendor Name                       | Current Contract Amount | Spending to Date | Contract Start Date | Contract End Date | Contract Description                                  | Contract \$ Left     |
|-----------------------------------|-------------------------|------------------|---------------------|-------------------|-------------------------------------------------------|----------------------|
| MAGNUM FORCE PEST ELIMINATION INC | \$388,930               | \$213,663        | 08/01/2005          | 07/31/2010        | DEER CARCASS REMOVAL SERVICES ZONES 11 AND 12         | \$175,267.50         |
| CLEARVIEW MAINTENANCE CORP        | \$250,000               | \$241,698        | 08/01/2005          | 07/31/2010        | DEER CARCASS REMOVAL SERVICES ZONES 15,16,17 AND 18   | \$8,302.00           |
| PULLENS TRUCK CENTER INC          | \$150,000               | \$70,230         | 08/01/2005          | 07/31/2010        | DEER CARCASS REMOVAL SERVICES ZONES 4, 7, 8, 9 AND 10 | \$79,769.67          |
| SIMONSEN ENTERPRISES              | \$150,000               | \$198,488        | 08/01/2005          | 07/31/2010        | DEER CARCASS REMOVAL SERVICES ZONES 13 AND 14         | (\$48,488.00)        |
| TOBY EDWARDS                      | \$50,000                | \$52,130         | 08/01/2005          | 07/31/2010        | DEER CARCASS REMOVAL SERVICES ZONES 1 AND 5           | (\$2,130.00)         |
| JAMES H VERSCHNEIDER              | \$75,000                | \$79,613         | 08/01/2005          | 07/31/2010        | DEER CARCASS REMOVAL SERVICES ZONES 2, 3 AND 6        | (\$4,612.50)         |
| <b>TOTAL: 6</b>                   | <b>\$1,063,930</b>      | <b>\$855,821</b> | <b>08/01/2005</b>   | <b>7/31/2010</b>  | <b>DEER CARCASS REMOVAL</b>                           | <b>\$208,108.67</b>  |
| <b>TOTAL OVER: 3</b>              | <b>\$275,000</b>        | <b>\$330,231</b> | <b>08/01/2005</b>   | <b>7/31/2010</b>  | <b>DEER CARCASS REMOVAL</b>                           | <b>(\$55,230.50)</b> |

Source: Office of the New York State Comptroller

### Appendix 6: New York State Data on Deer Carcasses

| Year | Total Crashes <sup>a</sup> | State-Maintained Roadway Animal-Vehicle Crashes <sup>a,b</sup> | % Animal-Vehicle Crashes <sup>b</sup> | State-Maintained Roadway Animal-Vehicle Crash Fatalities | State-Maintained Roadway Animal-Vehicle Crash Injuries | Pre-Hunt Deer Population Estimates | Salvaged & Unsalvaged Deer Carcasses <sup>c</sup> |
|------|----------------------------|----------------------------------------------------------------|---------------------------------------|----------------------------------------------------------|--------------------------------------------------------|------------------------------------|---------------------------------------------------|
| 2000 | 392,245                    | 14,208                                                         | 3.62                                  | 0                                                        | 992                                                    | 1,000,000                          | n/a                                               |
| 2001 | 331,979                    | 9,390                                                          | 2.83                                  | 3                                                        | 883                                                    | 1,050,000                          | 24,551                                            |
| 2002 | 253,710 <sub>d</sub>       | 3,958                                                          | 1.56                                  | 1                                                        | 751                                                    | 1,100,000                          | 28,965                                            |
| 2003 | 246,926                    | 5,289                                                          | 2.14                                  | 5                                                        | 752                                                    | 1,000,000                          | 30,519                                            |
| 2004 | 232,758                    | 5,735                                                          | 2.46                                  | 2                                                        | 517                                                    | 800,000                            | 24,637                                            |
| 2005 | 245,084                    | 11,240                                                         | 4.59                                  | 5                                                        | 1,357                                                  | 790,000                            | 20,808                                            |
| 2006 | 294,686                    | 20,113                                                         | 6.83                                  | 4                                                        | 1,376                                                  | 780,000                            | 19,590                                            |
| 2007 | 352,307                    | 23,961                                                         | 6.80                                  | 5                                                        | 1,332                                                  | 840,000                            | 20,911                                            |
| 2008 | 340,987                    | 24,555                                                         | 7.20                                  | 3                                                        | 1,368                                                  | 940,000                            | 19,700                                            |

<sup>a</sup>Reportable crashes in New York are those resulting in death, personal injury, or more than \$1,000 in property damage. Property damage crash reports are primarily filed by the motorist involved pre-1997 and from 2000 to 2005. Property damage crash reports were primarily filed by the investigating police agency involved from 1997 to 2000 and 2006 to present. In July 2001 the crash reports in New York started to include deer-involvement (rather than just animal-involvement) as a potential contributing crash factor.

<sup>b</sup>Animal-vehicle crash data from New York State Department of Motor Vehicles as provided to New York State Department of Transportation is for state-maintained roadways only (1993 to 2004). It has been estimated that these crashes represent, on average, about 53 percent of the reported animal-vehicle collisions statewide (1994 to 2004). Data from 2005 and beyond are directly from New York State Department of Transportation Safety Information Management System and shows the increase in property damage crashes reported due to a changes in data collection and reporting. These changes include an increase in the use of an electronic crash data collection and transfer system.

<sup>c</sup>Includes only deer carcass removals by New York State Department of Transportation and their contractors along state-maintained roadways.

<sup>d</sup>Does not include police-reported property-damage only crash reports.

Source: New York State Department of Transportation / [http://www.deercrash.com/states/new\\_york.htm](http://www.deercrash.com/states/new_york.htm)

**Appendix 7: Staff Likely to Be Involved in the Removal of Deer Carcasses**

| <b>DOT Region</b> | <b>Title</b>       | <b># Employees</b> | <b>Avg Salary</b> |
|-------------------|--------------------|--------------------|-------------------|
| Region 1          | HIGHWAY MTC WORKER | 294                | \$35,298.31       |
|                   | LABORER            | 1                  | \$35,927.00       |
| Region 2          | HIGHWAY MTC WORKER | 170                | \$35,755.71       |
|                   | LABORER            | 0                  | \$0.00            |
| Region 3          | HIGHWAY MTC WORKER | 193                | \$35,458.66       |
|                   | LABORER            | 1                  | \$35,362.00       |
| Region 4          | HIGHWAY MTC WORKER | 213                | \$35,136.23       |
|                   | LABORER            | 0                  | \$0.00            |
| Region 5          | HIGHWAY MTC WORKER | 363                | \$35,280.29       |
|                   | LABORER            | 1                  | \$35,788.00       |
| Region 6          | HIGHWAY MTC WORKER | 110                | \$35,439.05       |
|                   | LABORER            | 0                  | \$0.00            |
| Region 7          | HIGHWAY MTC WORKER | 241                | \$35,560.48       |
|                   | LABORER            | 0                  | \$0.00            |
| Region 8          | HIGHWAY MTC WORKER | 332                | \$35,883.10       |
|                   | LABORER            | 0                  | \$0.00            |
| Region 9          | HIGHWAY MTC WORKER | 250                | \$35,054.78       |
|                   | LABORER            | 2                  | \$34,428.00       |
| Region 10         | HIGHWAY MTC WORKER | 276                | \$34,847.36       |
|                   | LABORER            | 1                  | \$36,506.00       |

Source: Office of the New York State Comptroller

**Appendix 8: DOT Contracts for Tree Pruning & Removal Services**

| Vendor Name                                               | Current Contract Amount | Spending to Date | Contract Start Date | Contract End Date | Contract Description                                                             | Contract Type | Contract \$ Left |
|-----------------------------------------------------------|-------------------------|------------------|---------------------|-------------------|----------------------------------------------------------------------------------|---------------|------------------|
| ADIRONDACK TREE SURGEONS INC                              | \$547,864.66            | \$524,164.65     | 07/09/2009          | 11/30/2009        | HAZARDOUS TREE REMOVAL ALONG VARIOUS RTES VARIOUS LOCATIONS, DELAWARE COUNTY     | Construction  | \$23,700.01      |
| TERRY TREE SERVICE LLC                                    | \$158,355.60            | \$0.00           | 12/01/2009          | 05/31/2010        | HAZARDOUS TREE REMOVAL AT VARIOUS LOCATIONS ALLEG, SCHUYLER, STEUBEN & YATES COS | Construction  | \$158,355.60     |
| ZURICH/FIDELITY & DEP CO OF MD S&F CLAIMSATTN N KOKINAKIS | \$1,547,400.00          | \$1,241,630.00   | 03/26/2007          | 11/30/2009        | TREE & BRUSH REMOVAL 2006-2007 VARIOUS COUNTIES                                  | Construction  | \$305,770.00     |
| ADIRONDACK TREE SURGEONS INC                              | \$3,490,300.00          | \$194,175.70     | 06/15/2008          | 06/14/2010        | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING                                  | Service       | \$3,296,124.30   |
| ALL ISLE CONSUMER SERVICE LTD                             | \$2,550,000.00          | \$28,367.50      | 06/15/2008          | 06/14/2010        | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING                                  | Service       | \$2,521,632.50   |
| C R WHITE TREEE & LANDSCAPE                               | \$4,600,000.00          | \$7,729.00       | 06/15/2008          | 06/14/2010        | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING                                  | Service       | \$4,592,271.00   |
| COVEY TREE INC                                            | *\$1,425,000.00         | \$225,418.92     | 06/15/2008          | 06/14/2010        | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING                                  | Service       | \$1,199,581.08   |
| DILORENZO TREE CARE                                       | \$1,250,000.00          | \$0.00           | 06/15/2008          | 06/14/2010        | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING                                  | Service       | \$1,250,000.00   |

|                            |                        |                       |             |             |                                                 |                |                        |
|----------------------------|------------------------|-----------------------|-------------|-------------|-------------------------------------------------|----------------|------------------------|
| LOOKS GREAT SERVICES       | \$150,000.00           | \$0.00                | 06/15/2008  | 06/14/2010  | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING | Service        | \$150,000.00           |
| LOOKS GREAT SERVICES INC   | \$687,363.00           | \$687,020.00          | 10/14/2008  | 10/13/2009  | REMOVAL OF TREES AND SHRUB FROM REGION 8        | Service        | \$343.00               |
| QUINLAN TREE SERVICE       | \$2,800,000.00         | \$9,098.32            | 06/15/2008  | 06/14/2010  | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING | Service        | \$2,790,901.68         |
| RICHARD SEARS TREE EXPERTS | \$3,850,000.00         | \$134,481.00          | 06/15/2008  | 06/14/2010  | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING | Service        | \$3,715,519.00         |
| SCHNECK'S TREE REMOVAL INC | \$1,250,000.00         | \$35,787.00           | 06/15/2008  | 06/14/2010  | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING | Service        | \$1,214,213.00         |
| TERRY TREE SERVICE LLC     | \$5,325,000.00         | \$73,060.65           | 06/15/2008  | 06/14/2010  | STATEWIDE TREE REMOVAL, STUMP REMOVAL & PRUNING | Service        | \$5,251,939.35         |
| <b>TOTAL</b>               | <b>\$29,631,283.26</b> | <b>\$3,160,932.74</b> | <b>2007</b> | <b>2010</b> | <b>TREE REMOVAL</b>                             | <b>Service</b> | <b>\$26,470,350.52</b> |

Source: Office of the New York State Comptroller



### Appendix 9: Commodity Over-Run Costs

| Vendor Name                                    | Current Contract Amount | Spending to Date | Contract Start Date | Contract End Date | Contract Description                                                                                                       | Contract \$ Left |
|------------------------------------------------|-------------------------|------------------|---------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------|------------------|
| BARRETT<br>PAVING<br>MATERIALS<br>INC          | \$66,775.00             | \$73,975.09      | 10/01/2009          | 03/31/2010        | S&I ABRASIVES-GRADATION<br>B, ITEM 7-2 MALONE,<br>BRADLEY'S CORNERS,<br>OGDENSBURG, POTSDAM,<br>HAILSBORO                  | (\$7,200.09)     |
| C S BEHLER IC                                  | \$262,059.50            | \$263,569.78     | 06/15/2009          | 12/15/2009        | BRIDGE EXPANSION JOINT<br>SYSTEMS & COMPONENTS                                                                             | (\$1,510.28)     |
| CANASTOTA<br>CONCRETE CO<br>INC                | \$18,480.00             | \$31,304.27      | 10/01/2009          | 03/31/2010        | S&I ABRASIVES-GRADATION<br>A, LOT 1, ITEM 3-2<br>POLKVILLE                                                                 | (\$12,824.27)    |
| CARTER'S<br>TRUCKING &<br>BLACKTOPPIN<br>G INC | \$110,150.00            | \$177,571.00     | 06/01/2008          | 05/31/2010        | PRODUCTION COLD<br>MILLING OF HIGHWAY AND<br>BRIDGE SURFACES ZONE<br>13-16 ALT 1                                           | (\$67,421.00)    |
| CRAFCO INC                                     | \$100,000.00            | \$344,372.81     | 06/01/2007          | 05/31/2012        | BRIDGE REPAIR PRODUCTS<br>TO MINIMIZE<br>DETERIORATION ASPHALT<br>PLUG BRIDGE EXPANSION<br>JOINTS                          | (\$244,372.81)   |
| DEERY<br>AMERICAN<br>CORP                      | \$100,000.00            | \$130,247.90     | 07/01/2007          | 06/30/2012        | BRIDGE REPAIR PRODUCTS<br>TO MINIMIZE<br>DETERIORATION ASPHALT<br>BRIDGE EXPANSION JOINTS                                  | (\$30,247.90)    |
| ECONOMY<br>PAVING CO INC                       | \$25,000.00             | \$28,250.00      | 06/01/2008          | 05/31/2010        | PRODUCTION COLD<br>MILLING OF HWY & BRIDGE<br>DECK SURFACES ZONE 10<br>ALT 1                                               | (\$3,250.00)     |
| GERNATT<br>ASPHALT<br>PRODUCTS INC             | \$13,572.50             | \$20,042.73      | 10/01/2009          | 03/31/2010        | S&I ABRAS-GRADATION<br>A, LOT 2, ITEM 4-7 JAVA<br>CTR, LOT 3 ITEM 5-1<br>SALAMANCA, FARMERSVILLE,<br>ASHFD. HOLLOW, HAMBRG | (\$6,470.23)     |

| LIQUID<br>CONCRETE               | \$2,620,000.00        | \$3,825,955.80        | 08/01/2005  | 07/31/2010  | BRIDGE EXPANSION<br>JOINTS & COMPONENTS                                                             | (\$1,205,955.80)        |
|----------------------------------|-----------------------|-----------------------|-------------|-------------|-----------------------------------------------------------------------------------------------------|-------------------------|
| POLYSET<br>COMPANY INC           | \$200,000.00          | \$222,356.24          | 03/01/2006  | 02/28/2011  | COLOSED CELL BRIDGE<br>EXPANSION JOINT SYSTEM<br>AND COMPONENTS                                     | (\$22,356.24)           |
| R J WATSON                       | \$18,646.00           | \$24,370.00           | 06/15/2009  | 12/15/2009  | BRIDGE EXPANSION JOINTS<br>& COMPONENTS                                                             | (\$5,724.00)            |
| RMS GRAVEL<br>INC                | \$5,125.00            | \$35,657.03           | 10/01/2009  | 03/31/2010  | S&I ABRASIVES ·<br>GRADATION A, LOT 1, ITEM<br>3-2 ITHACA                                           | (\$30,532.03)           |
| STOUTS<br>READY MIX<br>LTD       | \$2,300.00            | \$2,354.99            | 10/01/2009  | 03/31/2010  | S&I ABRASIVES-GRADATION<br>B, ITEM 7-5 PLEASANT<br>VALLEY                                           | (\$54.99)               |
| SUIT-KOTE<br>CORP                | \$38,268.00           | \$45,714.14           | 10/01/2008  | 03/31/2009  | S&I ABRASIVES ·<br>GRADATION A LOT 2, ITEM<br>2-1 & 2-2                                             | (\$7,446.14)            |
| SYRACUSA<br>SAND &<br>GRAVEL INC | \$4,590.00            | \$4,779.85            | 10/01/2008  | 03/31/2009  | S&I ABRASIVES ·<br>GRADATION A LOT 3, ITEM<br>3-1                                                   | (\$189.85)              |
| TRACEY ROAD<br>EQUIPMENT         | \$220,587.00          | \$475,924.00          | 09/10/2009  | 09/09/2010  | PROCUREMENT OF RUBBER<br>TRACK MOUNTED<br>HYDRAULIC EXCAVATOR                                       | (\$255,337.00)          |
| WATSON<br>BOWMAN<br>ACME         | \$18,646.00           | \$70,819.26           | 06/15/2009  | 12/15/2009  | BRIDGE EXPANSION JOINTS<br>& COMPONENTS                                                             | (\$52,173.26)           |
| WEAKLEY<br>HAULING               | \$46,574.00           | \$47,387.66           | 10/01/2009  | 03/31/2010  | S&I ABRASIVES-GRADATION<br>B, ITEM 2-2 INDIAN LAKE, L<br>ONG LAKE, PISECO; ITEM 2-<br>5 FULTONVILLE | (\$813.66)              |
| <b>TOTAL: 18<br/>Contracts</b>   | <b>\$3,870,773.00</b> | <b>\$5,824,652.55</b> | <b>2005</b> | <b>2012</b> | <b>TOTAL</b>                                                                                        | <b>(\$1,953,879.55)</b> |

Source: Office of the New York State Comptroller

## Appendix 10: Night Work

