

# Department of Transportation

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## Welcome Center and Rest Area Planning and Implementation

Report 2017-S-25 | June 2019

OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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Division of State Government Accountability



# Audit Highlights

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## Objective

To determine if the Department of Transportation (Department) has a written capital plan for highway facilities for the traveling public, and whether the capital projects are properly planned and implemented. The audit covered projects on the Department's plan between January 1, 2014 and May 19, 2017, and subsequent work completed by the Department through May 22, 2018.

## About the Program

It is the mission of the Department to ensure its customers – those who live, work, and travel in New York State – have a safe, efficient, balanced, and environmentally sound transportation system. To help accomplish this mission, the Department plans and implements capital projects for its transportation system. Main Office guidance to the 11 Regional Offices reflects the Department's Four Guiding Principles – Preservation First, Maximize Return on Investment, Make It Sustainable, and System Not Projects – with Safety being the overarching theme for all of the principles. The capital program includes projects to construct and improve Rest Areas located on interstate highways. The Rest Area Plan, last issued in July 1998, is the Department's comprehensive Statewide Plan for Highway Rest Areas. Rest Areas are defined as facilities that: exist on interstate highways; are built to American Association of State Highway and Transportation Officials (AASHTO) standards; are no more than 20 years old; and are open and staffed 24 hours a day 365 days a year and, at a minimum, provide certain services. The Rest Area Plan supports providing Welcome Centers located within 20 minutes of key entry points to the State or within tourist regions for providing information to travelers. The Department operates and maintains 36 Rest Areas, of which 27 are more than 20 years old, and 2 recently opened Welcome Centers. During our audit scope, the Department managed 52 capital projects related to Rest Areas and 21 projects related to Welcome Centers totaling about \$333 million. Subsequent to our audit fieldwork, several Welcome Centers were opened in fall 2018. Three of them (Western, Capital Region, and Mohawk) are on Interstate 87 (New York State Thruway), and the Adirondack Welcome Center is on the Northway and funded through the Market NY program that promotes tourism.

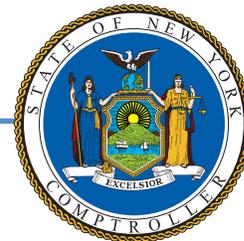
## Key Findings

- The Department did not follow its own policies and procedures for capital project planning and implementation for Welcome Centers and Rest Areas, prioritizing Welcome Centers and Rest Areas ahead of other projects.
- The Department lacks policies and procedures related to the recording and substantiating of deleted, deferred, and withdrawn capital projects.
- The Department incurred cost overruns of more than \$8.8 million and needlessly spent approximately \$4.0 million due to poor planning for one Rest Area and four Welcome Center capital projects.

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- Although the Department has a draft document (from December 2016) for the Welcome Center program establishing program goals and objectives, it did not provide detailed plans (amenities, parking, vendor location, utilities) for individual completed Welcome Centers or those under development.
  - The Department is not in compliance with AASHTO Rest Area spacing standards on Interstates 81 and 495.
  - The Department did not have a Memorandum of Understanding with any State or local agency occupying space in the Department's Rest Areas or Welcome Centers.

## Key Recommendations

- Follow the capital plan and document the reasons for any deviations from the plan.
- Strengthen planning for Rest Areas and Welcome Centers by following Department policies and procedures related to capital project planning and implementation.
- Develop and implement detailed policies and procedures regarding the processing of deleted, deferred, and withdrawn projects.
- Create and maintain a transparent environment that allows for the examination of the decision-making process and use of public resources in a State government agency.
- Update planning guidance including the Department's Rest Area Plan and Interstate 87 corridor plan, both of which were last issued in 1998.
- Identify solutions to bring the Interstate 81 corridor and Interstate 495 in compliance with AASHTO standards.
- Maintain current Rest Area Plans and Rest Area corridor plans.



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## Office of the New York State Comptroller Division of State Government Accountability

June 20, 2019

Ms. Marie Therese Dominguez  
Acting Commissioner  
New York State Department of Transportation  
50 Wolf Road  
Albany, NY 12232

Dear Acting Commissioner Dominguez:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By doing so, it provides accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Welcome Center and Rest Area Planning and Implementation*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Division of State Government Accountability*

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# Glossary of Terms

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<b>Abbreviation</b>	<b>Description</b>	<b>Identifier</b>
AASHTO	American Association of State Highway and Transportation Officials	<i>Standards Setting Organization</i>
Department	Department of Transportation	<i>Auditee</i>
ESDC	Empire State Development Corporation	<i>Public Benefit Corporation</i>
IPP	Initial Project Proposal	<i>Key Term</i>
MOU	Memorandum of Understanding	<i>Key Term</i>
MURK	Manual for Uniform Record Keeping	<i>Key Term</i>
Plan	Rest Area Plan	<i>Key Term</i>
Policy	Rest Area Policy	<i>Key Term</i>
PPMIS Instructions	Program and Project Management Information System User Instructions	<i>Key Term</i>
PQAR	Project Quality Assurance Report	<i>Key Term</i>
PSS	Project Scheduling System	<i>Key Term</i>

# Background

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It is the mission of the Department of Transportation (Department) to ensure its customers – those who live, work, and travel in New York State – have a safe, efficient, balanced, and environmentally sound transportation system. In order to accomplish this mission, the Department plans and implements capital projects for the State’s transportation system. Generally, a project evolves from an identified transportation problem or need. This process begins when the Department’s Main Office sends Program Update Scenario Development Instructions to the 11 Regional Offices to develop a five-year capital plan. The instructions provide information needed to complete a listing of projects from each region that address planning goals. Guidance sent to the Regional Offices reflects the Department’s Four Guiding Principles – Preservation First, Maximize Return on Investment, Make It Sustainable, and System Not Projects – with Safety being the overarching theme for all of the principles. For the period January 1, 2014 to May 19, 2017, the Department had 7,449 capital projects totaling \$68.1 billion. Of those 7,449 projects, 73 projects totaling about \$333 million were related to Welcome Centers (21 projects) and Rest Areas (52 projects).

The Department’s Project Development Manual reflects the policies and procedures for projects progressing from project scoping to contract award. The Initial Project Proposal (IPP) is the initial planning document used to select projects based on planning goals. The IPP includes a description of the problem, project objectives, preliminary schedule, and cost estimates. Once the IPP is approved, the project is then advanced to the Project Scoping Stage and then to the Design Stage. The final phase of the Design Stage consists of the preparation of the Final Plans, Specifications & Estimates. Finally, a private contractor is retained through a competitive bidding process and the project is constructed with oversight by the Department or another State agency.

Federal code allows the Department to construct, operate, and maintain Rest Areas along the interstate highway system. The primary benefits of these facilities include reduced driver fatigue, improved safety, and refuge from adverse driving conditions. Rest Areas are defined as facilities that: exist on interstate highways and other controlled-access freeways; are built to American Association of State Highway and Transportation Officials (AASHTO) standards; are no more than 20 years old; and are open and staffed 24 hours a day 365 days a year and, at a minimum, provide certain services (clean, well-lit, and sanitary facilities, drinking fountains, gender-separated restrooms, vending machines, telephones, tourist information, and trash receptacles). AASHTO guidelines indicate that travelers are well served if Rest Areas are located approximately 60 miles apart, which represents approximately one hour of travel time at the State speed limit.

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The Department's Rest Area Plan (Plan), last issued July 1998, is a comprehensive Statewide Plan for Highway Rest Areas. The Plan assessed each facility's current condition and future needs in the context of the role of transportation service in supporting the State's tourism industry and attempting to provide safe trips for travelers. According to the Plan, since the majority of the Rest Areas were constructed in the 1960s and 1970s, many of them will need to be replaced or rehabilitated. The Plan supported providing Welcome Centers located within 20 minutes of key entry points or within tourist regions for providing information to travelers. The Plan, in general, also incorporates AASHTO standards.

The Department's Rest Area Policy (Policy) states that the Department shall provide, operate, maintain, and continuously improve a statewide system of quality Rest Areas and other related non-commercial facilities that support travel-related safety, comfort, and convenience; offer appropriate services and information for all highway users; meet users' needs for safe, convenient, and clean facilities; are energy-efficient and environmentally sound; and present a positive image of the State and the Department. According to the Policy, facilities to be provided include Rest Areas, gateway information centers, truck inspection areas, parking areas, and scenic overlooks. These facilities, which exist on interstate highways and other controlled-access freeways, are built to AASHTO standards. Rest Areas that do not meet the desired minimum requirements or are identified by the Regional Director as inadequately serving the needs of the traveling public shall receive appropriate attention for reconstruction in the region's periodic capital plan updates. The Regional Offices will maintain Rest Area corridor plans to determine long-term requirements and to define the resources and funding needed for the timely implementation of the program. The Policy states that, if possible, spacing of Rest Areas should provide the motorist with restroom facilities at driving time intervals of approximately one hour along the highway. The Policy, along with the Highway Design Manual, states that any State or local agency occupying space in one of the Department's Rest Areas must do so under a Memorandum of Understanding (MOU) or other agreement as determined by the Department.

Subsequent to our audit fieldwork, several Welcome Centers were opened in fall 2018. Three of them (Western, Capital Region, and Mohawk) are on Interstate 87 (New York State Thruway), and the Adirondack Welcome Center is on the Northway and funded through the Market NY program that promotes tourism.

# Audit Findings and Recommendations

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The Department has not adequately planned and implemented Welcome Center and Rest Area capital projects. The Welcome Center program goals and objectives only exist in draft form and were developed after the completion of the Long Island Welcome Center. Further, the Department did not provide substantive plans for completed Welcome Centers or those under development to support its decision making. Also, the Department did not adhere to its own policies and procedures for highway capital projects, which resulted in \$12.8 million in Welcome Center cost overruns, abandoned Welcome Center projects, and Rest Areas that are out of compliance with AASHTO and its own Rest Area spacing standards. By not providing a safe, comfortable, and convenient place for motorists to rest, the Department has not achieved its overarching guiding principle for capital project planning – safety.

## Welcome Center Planning

The Department provided a draft document for the Welcome Center program developed in December 2016, after the completion of the Long Island Welcome Center, which established the program’s goals and objectives. The Department did not provide detailed plans for completed Welcome Centers or those under development. Also, the Department officials did not provide documentation to support that they adhered to their own policies and procedures for the effective planning of facilities. Initially, we were told the Welcome Center program began in 2014-15, when the Department was provided funding by the New York State Legislature to re-open two Rest Areas along Interstate 88. With the renovation of these two Rest Areas, Department officials began to re-evaluate the condition of all of their Rest Areas as they exceeded their useful life. Department officials told us that, after the rehabilitation of the two Rest Areas on Interstate 88, they were approached by Empire State Development Corporation (ESDC) to develop Welcome Centers. We met with Department executive officials and management in August and September 2017 to obtain an overview of Welcome Center program and planning. During these meetings, we requested a copy of the Rest Area assessment and supporting documentation. The Rest Area assessment we received was developed in October 2017 by the Regional Offices based on a request from the Main Office.

It was decided that the Department would be the lead agency to develop five Welcome Centers (Long Island, Southern Tier, Hudson Valley, Adirondack, and North Country). As the lead agency for the five Welcome Centers, the Department worked with, and coordinated with, other State agencies – including the State Police, the Departments of Agriculture and Markets, Motor Vehicles, and Environmental Conservation, and ESDC (a public authority)

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– to identify amenities they could provide to the Welcome Centers. We were also told that the Welcome Centers are part of a statewide initiative separate from the Department’s capital program. However, we found four Welcome Centers listed on the Department’s five-year capital plan (2015-2019): Long Island Westbound (\$40 million), Long Island Eastbound (\$40 million), Hudson Valley (\$10 million), and Capital District (\$10 million). We requested planning documents regarding the selection of the five Welcome Center locations, the agencies’ participation in the development of Welcome Centers, and the statewide initiative. The only documents the Department provided regarding Welcome Center planning were draft program requirements, internal emails of The Taste NY Experience (where each site is localized and offers New York-made food and beverages for sale), PowerPoint presentations, and meeting agendas on consultant letterhead. These documents lacked a basis for the decisions made related to: Welcome Center locations and amenities; State agencies’ services to be provided; square footage needs; space allocated to State agencies in the Welcome Centers; parking needs of motorists, passenger touring buses, and commercial trucks; and other building requirements such as utilities.

We were initially told that ESDC would reimburse the Department for funding the Welcome Centers through an ESDC appropriation of \$199 million. These funds were in addition to the funding for the Department’s five-year capital plan. In January 2018, we were told that ESDC has not reimbursed the Department for expenses related to the Long Island Welcome Center, nor is it supposed to. However, Department officials stated that they have not ruled out the possibility of seeking reimbursement for the Long Island Welcome Center as the appropriation allows for liabilities incurred prior to April 1, 2017. Finally, in April 2018, we were told that the Long Island Welcome Center was funded from the Department’s five-year capital plan (2015-2019).

However, the Southern Tier Welcome Center was primarily supported by the ESDC appropriation, although the Department was lax when it came to seeking reimbursement from ESDC. The Southern Tier Welcome Center project was awarded in May 2017. Yet the Department did not seek reimbursement until September 2017 and did not receive the funds until October 2017 when the Welcome Center was opened to the public. The Department received only \$7 million out of a total cost of \$8.3 million. Had the Department sought reimbursement from the beginning, these funds could have been used sooner to fund additional highway projects.

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## Rest Area Planning

The Department has not adequately planned for the rehabilitation or replacement of Rest Areas on the State's interstate highway system. According to the Department's 2017 Rest Area Needs Assessment, with the exception of the Long Island Welcome Center, there has not been a new Rest Area constructed since 2004. Of the 36 Rest Areas listed on the assessment, 25 were 30 or more years old; 2 were between 20 and 29 years old; 7 were between 10 and 19 years old; 1 was less than 10 years old; and 1 was of unknown age. According to the Department's Highway Design Manual, a Rest Area project should be considered for the 25 facilities that are 30 or more years old. Further, the Department's Plan and Policy for Rest Areas, both of which incorporate AASHTO standards, state a Rest Area should be no more than 20 years old.

We found a Department-issued Program Update Guidance and Instructions document dated August 2006. Two areas of focus within the instructions include Welcome Centers and the functionality of the Rest Area system. In January 2018, we asked Department officials if the instructions were still valid as they cover State Fiscal Year 2007 to State Fiscal Year 2019. In April 2018, Department officials responded that the 2006 instructions related to Rest Areas and Welcome Centers were still in effect, because nothing in the 2014 capital planning instructions had specifically superseded it. According to the instructions, Rest Areas should be included as part of a comprehensive State and highway corridor-wide planning and investment process. The Department's individual corridor plans range from 30 years to 7 years old, as follows: Interstate 87, issued November 1998; Interstate 81, issued November 2009; Interstate 86, issued September 2009; and Interstate 88, issued January 2011.

The Department's Rest Area Policy applies to all Main Office and regional organizational units engaged in planning, designing, constructing, operating, and/or maintaining highway Rest Areas. According to the Policy, Rest Areas that do not meet the desired minimum requirements or are identified by the Regional Director as inadequately serving the needs of the traveling public shall receive appropriate attention for reconstruction in the region's periodic program updates. The Policy also states that the Regional Offices will maintain Rest Area corridor plans to identify existing Rest Areas to remain open or to be reconstructed, replaced, or closed and general locations for new Rest Areas to be constructed. Additionally, the Policy states that basic Rest Areas (defined by the Department as existing rest areas that do not meet Rest Area standards to have structurally sound buildings, potable water, plumbing that is fully functional, trash receptacles, and trash removal) must

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remain open and operating until they are reconstructed or closed.

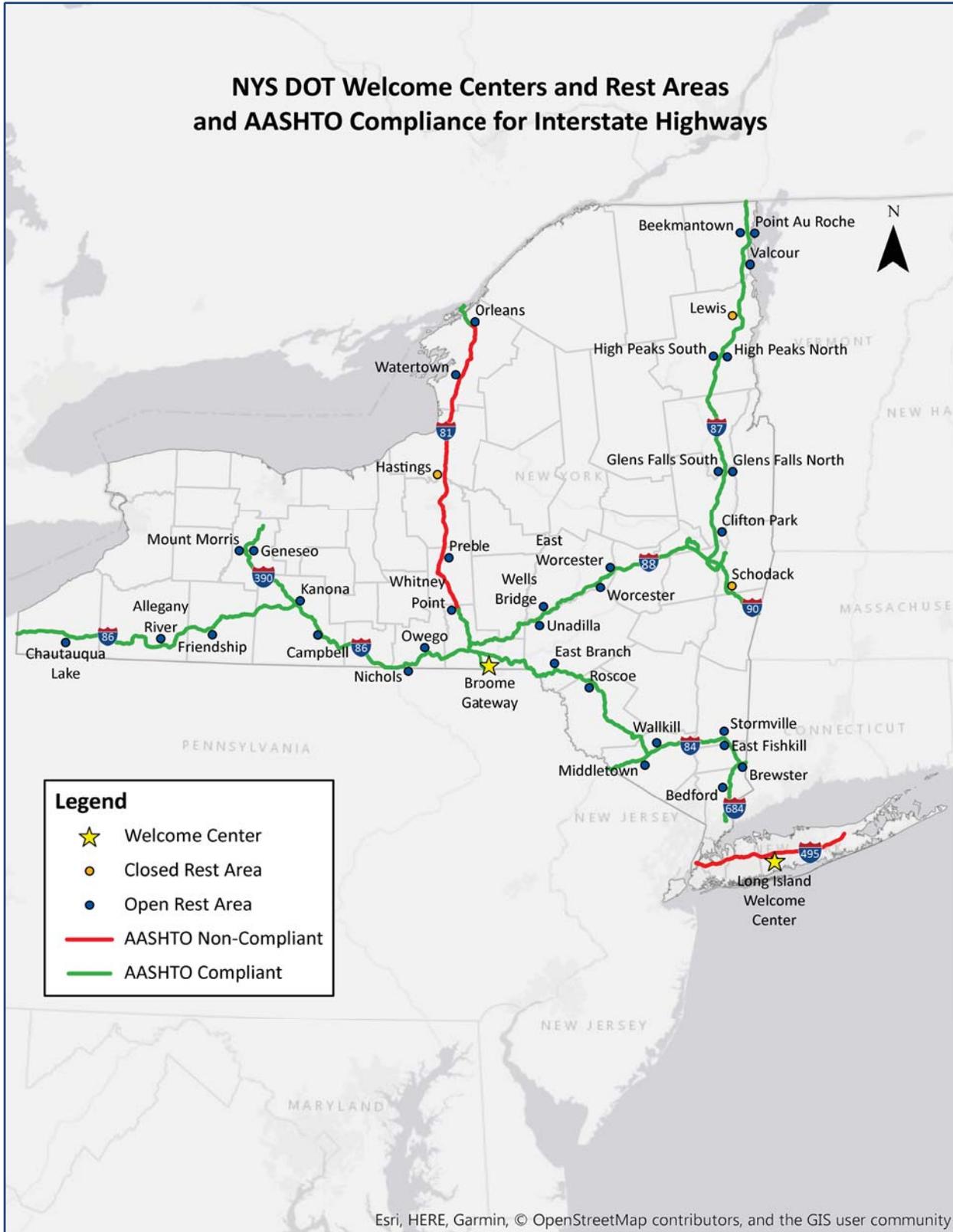
We visited 10 of the 11 Regional Offices to determine what planning the regions perform regarding Rest Areas. We did not visit Region 2 as it does not have any Rest Areas. Two regions provided Rest Area planning they completed as a result of the 2006 Program Update Guidance and Instructions. One region proposed construction of a new first-class Welcome Center on Interstate 87 southbound to replace the existing Rest Area built in 1985 and listed in poor condition. The region never received funding from the Main Office for the project. The other region proposed rebuilding an existing Rest Area, closed since 2010, on Interstate 81 southbound that was built in 1981 and listed as dilapidated and constructing a new Rest Area in the northbound direction of Interstate 81. The region did not receive funding for this project.

Region officials stated that the opening of these two facilities was needed to bring the Interstate 81 corridor in compliance with AASHTO spacing guidelines. Currently, there is a gap of over 100 miles between the Preble and Orleans Rest Areas on northbound Interstate 81 and over 100 miles between the Watertown and Whitney Point Rest Areas on southbound Interstate 81. In addition, there are no Rest Areas located in the westbound direction of Interstate 495 (Long Island Expressway), which covers approximately 71 miles.

For the remaining eight regions we visited, officials stated that they had not performed any Rest Area planning as sufficient funds didn't exist in the region's budget to complete a large-scale Rest Area project and they utilize their maintenance budgets to maintain existing Rest Areas.

By having outdated corridor plans and corridors that are not in alignment with AASHTO spacing guidelines, the Department is not providing the traveling public a safe, comfortable, and convenient place to rest. This goes against the Department's overarching theme of its four guiding principles – safety. The following map depicts those corridors that are out of compliance with AASHTO spacing guidelines.

## NYS DOT Welcome Centers and Rest Areas and AASHTO Compliance for Interstate Highways



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## Welcome Center Capital Projects

We requested planning, design, and construction documentation (where applicable) for all six Welcome Centers for which the Department was the lead agency to determine whether the projects were properly planned and implemented. The documentation received was limited as it lacked support for decision making, planning, design, and construction detail for individual Welcome Centers. For example, items not addressed included: Welcome Center locations and amenities; State agencies' services to be provided; square footage needs; State agencies' location in the Welcome Centers; parking needs of motorist, passenger touring buses, and commercial trucks; and other building requirements such as utilities.

### Long Island Welcome Center

The Long Island Welcome Center was the first one built. It was completed in October 2016, prior to the development of the Welcome Center program goals and objectives. We were told that planning was done principally through emails and conference calls between the Main Office and ESDC. Aside from a few emails discussing local wineries, Taste NY Market updates, and the location of kiosks in the community room, region officials did not provide any substantive planning documents for this facility.

The region deviated from its policies and procedures by not developing an IPP for the Welcome Center project. The IPP includes a description of the problem, project objectives, preliminary schedule, and cost estimates. Region officials stated that the Welcome Center had an accelerated schedule that resulted in some items being missed during the design of the building, which caused two large change orders and several smaller ones during construction. One change order totaled \$4.8 million to add a sewer system to the project because it was completely left out of the plans. The other large change order totaled \$1 million due to an increase in the size of the center from 10,000 square feet to 15,000 square feet just before the contract was awarded. Change orders for the center totaled \$6.9 million. This increased the contract awarded amount of \$20.2 million to a final construction cost of \$27.2 million. Department officials took the position that the benefits of opening a Welcome Center earlier to the traveling public far outweigh any additional expenses incurred as a result of accelerating the project schedules, but yet they could not provide a cost/benefit analysis to support their assertion.

Our review of change orders for this project identified \$206,814 in work that was completed but was removed and replaced. This work included a concrete foundation slab in a police bathroom, a kitchen grease trap, a front entryway, a wood trellis on a front porch, a boat fence, hand dryers, plaques on the

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walk of fame, and excavation and backfill to relocate the generator. This extra work was not due to inferior materials or workmanship, but instead due to poor planning by the Department. These cost overruns also deviated from the Department's planning guidance – Maximize Return on Investment – as a need for this re-work was not substantiated.

When the Long Island Welcome Center went out to bid, the Engineer's Estimate was \$24.4 million. The winning bid came in at \$20.2 million, which is 17.1 percent under the estimate. Because the bid was more than 15 percent below the Engineer's Estimate, as part of the Case I Review process, a cost reasonableness justification should have been completed with findings transmitted to the Office of Construction. However, this review was not performed.

The Department did not follow the provisions of the Highway Design Manual, which states that any State or local agency occupying space in one of the Department's Rest Areas must do so under a MOU. Region officials could not provide a MOU for any of the agencies occupying space within the Long Island Welcome Center, even though they were aware that, at a minimum, State Police, Suffolk County Police, and the Departments of Motor Vehicles and Agriculture and Markets all occupy space within the Welcome Center. Department officials provided two outdated MOUs, issued in 1995 – one for the State Police and one for ESDC – that do not pertain to the Welcome Center.

The Long Island Welcome Center does not allow passenger touring bus or commercial truck parking. While we were not provided any supporting evidence, region officials stated the decision to not allow tour bus and commercial truck parking was a compromise between the community and the Department. By not allowing tour bus parking, the Department deviated from its Taste NY Experience policy as tour bus traffic is an important revenue driver. In addition, the Department's Rest Area Plan supports providing Welcome Centers within 20 minutes of key entry points to the State or to tourist regions. However, the Welcome Center is located in the center of Long Island, which exceeds the 20 minutes of key entry points to the State.

## **Southern Tier Welcome Center**

The Southern Tier Welcome Center was the second Welcome Center completed, opening in October 2017. Similar to the Long Island Welcome Center, the Southern Tier Welcome Center had an accelerated schedule and incurred similar problems. For example, the Final Plans, Specifications & Estimates transmittal memo used to send the project out to bid stated that the project plans were only 30 percent complete. Not having a fully

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developed plan led to the need for additional material, labor, and equipment and increased construction costs by more than \$1.9 million from the awarded amount of \$6.4 million – to \$8.3 million.

Regarding Welcome Center planning, Region 9 officials provided draft program requirements for Welcome Centers discussed during a two-day meeting held in December 2016. Building requirements include design criteria, tourist elements, public safety, vending, and maintenance. Site requirements include picnic area, play area, farmers' market, bus drop-off, and renewable energy. They also provided a PowerPoint presentation with basic information, proposed floor plan, site layout, and cost estimates. However, region officials could not provide documentation supporting the decisions made because all planning for the Southern Tier Welcome Center was done by the Main Office. Our requests to the Main Office for any and all planning documentation related to the Welcome Center have gone unfulfilled.

Projects with a contract value greater than \$2 million are required to have a Manual for Uniform Record Keeping (MURK) Review as well as a Project Quality Assurance Report (PQAR) completed. The region did not have to perform the MURK Review or the PQAR as it received an exemption from the Main Office. However, the Department's Contract Administration Manual does not provide for exemptions from performing MURK Reviews and PQAR. Any conditions that allow for deviations from standard procedures should be documented in a comprehensive policy and procedure manual.

## Capital District Welcome Center

Initially, the Capital District Welcome Center was to be located at the site of the existing Schodack Rest Area on Interstate 90. The project was awarded in June 2016 and construction began in July 2016, prior to the development of Welcome Center Program in December 2016. However, a stop work order was issued one month into construction. The project was quickly scoped and designed, and as a result of poor planning, the Department concluded that a desired upgrade to the Capital District Welcome Center amenities required a much larger footprint (the area on a project site that is used by the building and is defined by the perimeter of the building plan; parking lots, landscapes, and other common building facilities are not included in the calculation) than the facility under construction in Schodack.

Prior to the project being terminated, the Department spent \$1.4 million to demolish the existing Rest Area, remove the septic system, and perform excavation and utility work. Another \$678,952 was spent on construction of the building, which included installing footings and preparing foundation walls for concrete. According to region officials, some materials from the project

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may be salvageable but the majority of the site work will have to be buried. The Department plans to convert the Schodack Rest Area into a rest stop with truck parking and inspection area, and the Capital District Welcome Center will be located on the New York State Thruway. The Department did not provide specific planning documents for this facility and the amenities to be included.

## Hudson Valley Welcome Center

The Hudson Valley Welcome Center was originally supposed to be located on Interstate 84 at the site of the existing Stormville Rest Area at a cost of \$36 million. The project was withdrawn in June 2017 because the facility could not be built at the existing location. Region officials believe the reason the Stormville facility was not a suitable location was due to the ongoing dispute with the Federal Highway Administration concerning over-the-counter sales in their Taste NY Market. An alternative location was identified on the Taconic State Parkway, but this project was also withdrawn between October and November 2017 due to issues with the new ramps and environmental concerns. The Department spent \$1.5 million in design costs for this center. According to Department officials, the Hudson Valley Welcome Center will be constructed along the New York State Thruway. By not converting the Stormville Rest Area into a Welcome Center, the traveling public is left with a facility that is nearly 50 years old. We requested planning documentation related to the center and were only provided meeting minutes on consultant letterhead and a document listing the advantages/disadvantages of locating the Welcome Center at the site of the existing Stormville Rest Area.

## North Country Welcome Center

The North Country Welcome Center is going to be located south of the Canadian border near the site of an existing Rest Area owned by the Thousand Islands Bridge Authority. Region officials stated that they had no role in the planning of the Welcome Center as all planning was performed by the Main Office. In fact, region officials first learned of the project in a November 2016 email from the Main Office. The region deviated from its policies and procedures by not preparing an IPP as required by the Project Development Manual. They added that the project was fast-tracked by the Main Office and therefore, in the interest of time, an IPP was not developed. The region prepared a Final Design Report; however, region officials stated that the design report was done mostly to meet procedural requirements. Initially, the Department was to be responsible for the bidding process, but that responsibility has been transferred to the Office of General Services.

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## Adirondack Welcome Center

Initially, the northbound Glens Falls Rest Area was to be renovated using a \$1 million reappropriation of State funds, according to the Department. Once the region learned that the Rest Area was going to be converted to the Adirondack Welcome Center, the \$1 million was then applied to reopening the northbound Schroon Lake Rest Area as a text stop and renovating the southbound Glens Falls Rest Area. According to region officials, the Adirondack Welcome Center was initiated as part of a statewide effort to upgrade various Rest Areas across the State. We made multiple requests for planning documentation related to the statewide initiative for rest areas and Welcome Centers since August 2017, but these planning documents have not been provided. As with the North Country Welcome Center, the Department deviated from its policies and procedures by not developing an IPP. Region officials stated that an IPP was not necessary because the project was already selected, funded, and committed with 100 percent ESDC funds on a statewide basis. Also, similar to the North Country Welcome Center, region officials stated that they played no role in the planning of the Welcome Center as all planning was done by the Main Office. The Department budgeted only \$1.8 million to cover the design costs of the Welcome Center. However, it was estimated that design costs would reach \$2.4 million. According to region officials, design costs exceeded the budget because of design changes to make the building smaller than originally planned. Had the Department performed better planning of the Welcome Center, these added costs may have been avoided.

## Rest Area Capital Projects

The Department has not constructed a new Rest Area since 2004. The Department prefers to maintain existing Rest Areas as the current focus is on maintaining existing bridge and pavement conditions and bringing infrastructure to a State of Good Repair within ten years while maximizing outcomes at the least cost. In addition to the six Welcome Centers, we judgmentally selected a sample of 52 Rest Area projects to determine whether the projects were properly planned and implemented. Of the 52 projects, there were 6 projects we did not review because, while the title of the project may have contained the words “Rest Area” or “Comfort Station,” after further review we determined that these projects were related to paving or city parks or were carried out by a different agency. Thirty-two projects had a status of deleted, deferred, or withdrawn and were never developed into a Rest Area capital project. For the remaining 14 projects, we reviewed planning, design, and construction documentation for compliance with Department policies and procedures. Our review of these 14 projects found

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the following:

- Three projects contained all necessary and appropriate documentation;
- Nine projects contained all necessary and appropriate documentation with the exception of the correspondence logs. These nine projects were related to sewer improvements at the Gateway Rest Area and Whitney Point Rest Area along Interstate 81. Both sewer improvement projects were substantially behind schedule. For the Gateway sewer improvements, the bidding process had an original date of April 2009 but was pushed back to its actual date of January 2016. The project had an original completion date of November 2016 but was pushed back to between October 2017 and February 2018. For the Whitney Point sewer improvements, the bidding process had an original date of January 2015 but was pushed back to May 2016. The original completion date of December 2017 was pushed back to June 2018.
- One project was completed under a different project identification number but for the same facility; and
- One project did not contain the planning, design, and construction documentation needed for a capital project. Instead, this project used vouchers and purchase orders to maintain the existing Rest Area and purchase equipment.

## Deleted, Deferred, and Withdrawn Projects

The Department's Project Scheduling System (PSS) is used to track a capital project's status as it moves along in the process, ranging from "Programmed" (included in the capital program but not started) to "Finalized" (construction completed and final contract payment made). Projects that are no longer being pursued are listed in PSS as Deleted, Deferred, or Withdrawn. During our visits to the ten Regional Offices, we asked region officials if they had any policies and procedures related to the processing of such projects. Officials at seven of the ten regions did not have any policies and procedures. Three regions provided a copy of the Department's Program and Project Management Information System User Instructions (PPMIS Instructions). However, these PPMIS Instructions merely provide step-by-step guidance for entering and maintaining the data contained in PSS; they do not contain procedures related to projects removed from the capital program and whether any approvals are necessary.

One of the main categories of project information identified in the PPMIS Instructions is "Comments." According to the PPMIS Instructions, it is essential that comments be accurate, up-to-date, and entered in a consistent

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manner so that the Department's capital program can be reviewed and analyzed based on corporate goals established by Executive Management. We found four Regional Offices were not entering comments as required or in a timely manner. For example, Region 6 had eight deleted or deferred projects in our sample and all eight projects had no comment fields in PSS. Region 1's only comments were entered into PSS on the day we met with region officials in January 2018. For one deleted project, the previous comments were entered in August 2016.

Deleted, deferred, and withdrawn projects are generally projects the Department wanted to implement at one time but for various reasons decided not to implement. The bases for these decisions are critical and should be documented and maintained. We identified one deferred project where the Department spent \$440,934 on design and right-of-way, but the project was never completed. This project was initiated to replace an existing Rest Area on Route 17 in the Town of Nichols and was originally deferred in February 2010. Region officials told us in early 2018 that the project remains deferred because they have not received the necessary funding from the Main Office to replace the existing Rest Area. These sunken costs also deviated from a Department guiding principle: Maximize Return on Investment. Of 26 projects (across eight regions) that were deferred, deleted, or withdrawn, 24 had no documentation to support the decision.

## Recommendations

1. Strengthen planning for Welcome Centers and Rest Areas by following Department policies and procedures related but not limited to: project planning as described in the Project Development Manual, entering comments into PSS as described in the PPMIS Instructions, Case I Reviews, and MOU requirements as described in the Highway Design Manual.
2. Create and maintain a transparent environment that allows for the examination of the decision-making process and use of public resources of a State government agency.
3. Document planning and implementation decisions that follow the systems in place for the planning, design, and construction of Welcome Centers.
4. Identify solutions to bring the Interstate 81 corridor and westbound Long Island Expressway in compliance with AASHTO spacing guidelines.
5. Maintain current Rest Area Plans and Rest Area corridor plans.

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6. Develop and implement detailed policies and procedures regarding the processing of deleted, deferred, or withdrawn projects and the exemption/waiver process for both MURK Reviews and PQARs.

# Audit Scope, Objectives, and Methodology

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The purpose of our audit was to determine whether the Department has a written plan for highway facilities for the traveling public, and whether the capital projects are properly planned and implemented. The audit covered projects on the Department's plan between January 1, 2014 and May 19, 2017, and subsequent work completed by the Department through May 22, 2018.

To accomplish our objectives, we reviewed relevant laws, regulations, and Department manuals. We also interviewed Main Office and region officials, one contractor, and one Metropolitan Planning Organization. In addition, we evaluated the internal controls related to the audit objectives.

Department officials provided a list of 7,449 capital projects that were in PSS during our scope period. The projects were in various statuses including: Active, Approved, Developed, Completed, Construction, "Finalized," Deleted, Deferred, and Withdrawn. From this list, we judgmentally selected all 73 capital projects in the Capital Plan related to highway facilities based on their description such as "Rest Area" and "Welcome Center." Of those 73 projects, 52 were related to Rest Areas and 6 were Welcome Center projects that included an additional 15 projects for various construction trades. Lastly, we visited 10 of the 11 Regional Offices (Region 2 did not have any Department-operated highway facilities) to review planning, design, and construction documentation associated with the 73 projects in our sample. The results of our review were not intended to be projected to the population. As part of audit procedures, the audit team used Geographic Information Systems (GIS) software for geographic analysis. As part of the geographic analysis, we developed a visualization (see map on p. 12) to improve understanding of our report. To improve ease of use, some minor locational changes were made in this visualization. The changes do not materially affect the accuracy or interpretation of the underlying data or visualization.

As is our practice, we requested Department officials to provide us with a letter of representation affirming they have made all relevant records and related data available for audit, there are no undisclosed communications from regulatory agencies concerning noncompliance with operating practices and they have complied with all applicable laws, rules, and regulations that could have a significant effect on operations subject to our audit. The letter of representation is also intended to confirm any significant oral representations made to the auditors and thereby reduce the likelihood of misunderstandings. We provided the Department with a standard representation letter that is used for all audits. The Department provided a representation letter, but changed the document to limit assurances. The limited assurances related to affirming the Department made all relevant records and related data available

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for audit to only those in its possession and oral representations made may not have captured all aspects of the issue at hand. Lastly, the letter also represents that there were no undisclosed communications from regulatory agencies, but our multiple requests during the survey phase of our audit for supporting documentation regarding the Department's agreement with the Federal Highway Administration for highway signs was not fulfilled, nor did Department officials provide detailed plans (site selection for facilities, square footage needs, amenities, State agencies' services to be provided, parking, vendor location, and utilities) for completed Welcome Centers or those under development. As such, we deemed the letter unacceptable for the purposes of our audit and, therefore, we have limited assurance that the information provided to us during the course of our audit was reliable, accurate, and complete.

# Statutory Requirements

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## Authority

The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating threats to organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

## Reporting Requirements

We provided a draft copy of this report to Department officials for their review and formal comment. Their comments were considered in preparing this final report and are included in their entirety at the end of it.

In their response, Department officials generally disagreed with the audit findings, claiming that the auditors did not appreciate the breadth of the work done by the Department and that Welcome Centers and Rest Areas are just one of the many assets managed by the Department. They added that the auditors did not understand that the new facilities were predicated on different goals and utilize newer technologies to support motorists than traditional roadside facilities. However, the Department's characterizations of the audit are incorrect. Auditors used the procedures, policies, and guidelines that Department officials provided to support their method to plan and construct Rest Areas located on interstate highways that were in the capital program. In addition, we met with Department officials at the Main Office and 10 of the 11 regions statewide (Region 2 did not have any Rest Areas) to obtain information about the planning for Rest Areas and Welcome Centers and to

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review records for the sampled projects from their perspective. Consequently, if the Department's officials chose to not enforce their own policies, procedures, etc., they should rewrite them to accurately reflect management's objectives for highway facilities used by the traveling public. Our rejoinders to the Department's comments are embedded within the Department's response.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Transportation shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

# Agency Comments and State Comptroller's Comments

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Department of  
Transportation

ANDREW M. CUOMO  
Governor

MARIE THERESE DOMINGUEZ  
Acting Commissioner

June 4, 2019

Office of the State Comptroller  
Division of State Government Accountability  
59 Maiden Lane – 21<sup>st</sup> Floor  
New York, NY 10038

Re: Audit Draft Report – 2017-S-25 – NYSDOT

Dear Ms. Maldonado:

The New York State Department of Transportation (NYSDOT) is in receipt of the draft audit conducted by the Office of the State Comptroller (OSC) pertaining to Welcome Center and Rest Area Planning and Implementation (Report 2017-S-25).

NYSDOT has historically enjoyed a strong relationship with OSC and has appreciated the professional and constructive recommendations provided in the past by OSC for improving NYSDOT's project planning, programming and implementation processes. With respect to this subject audit, however, NYSDOT has significant concerns regarding the findings and recommendations.

The Welcome Center initiative both provides essential motorist services and is a central component of the State's wide-reaching promotional efforts designed to support and enhance New York's \$1.00 billion tourism industry. With the exception of the Long Island Welcome Center, each of the facilities rehabilitated or constructed under this initiative were funded through Empire State Development (ESD) or through a site-specific legislative appropriation.

At the outset, it should be noted that the Welcome Center program, despite references to the contrary, is fully compliant with federal and industry standards. The OSC audit, however, fails to recognize the role the Welcome Centers play in promoting tourism. In effect, the audit relies solely on a trade association's discretionary guidelines, even though those guidelines do not attempt to meaningfully address the role tourism promotion plays in the process. Furthermore, OSC intentionally overlooks that these very same guidelines encourage the flexibility of states to implement such projects. The audit also neglects that the Welcome Center initiative is predicated on different goals and utilizes newer technologies to support motorists than traditional roadside facilities.

**State Comptroller's Comment** – To answer our objectives, OSC determined if the Department complied with its own policies and procedures for capital project planning and implementation for Welcome Centers and Rest Areas and found the Department was not compliant. OSC therefore recommended that the Department "Strengthen planning for Welcome Centers and Rest Areas by **following Department policies and procedures** related but not limited to: project planning as described in the Project Development Manual, entering comments into PSS as described in the PPMIS

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Instructions, Case I Reviews, and MOU requirements as described in the Highway Design Manual.” In response, the Department states “We **disagree** with this recommendation.”

The documents cited, which the auditors relied upon, are not “a trade association’s discretionary guidelines” but instead the Department’s own policies and procedures. Moreover, our findings that the Department failed to comply with its own policies and procedures are inconsistent with the Department’s position that it is compliant with federal and Industry standards, which their policies and procedures incorporate.

Lastly, throughout the report there are repeated references made to NYSDOT withholding information from the Audit Team. As detailed in the Audit Representation Letter, throughout the course of the audit, NYSDOT responded to OSC in good faith, making every effort to ensure that all representations made were accurate.

**State Comptroller’s Comment** – The Department’s response does not address the completeness of their representations or documented evidence provided to support their planning and decision making. For example, our multiple requests during the survey phase of the audit for detailed plans and supporting documentation on how the plans were developed (site selection for facilities, square footage needs, amenities, State agencies’ services to be provided, parking, vendor location, and utilities) for completed Welcome Centers or those under development were unfulfilled. If we take the Department’s assertions that it did not withhold information at face value, then it logically follows that the Department does not have detailed plans for several hundred millions of dollars of projects or critical information on how these plans were developed, which is even more troubling than the Department withholding information. Additionally, the Department’s representation letter provided limited assurance regarding audit evidence provided and we deemed the letter unacceptable for the purposes of our audit.

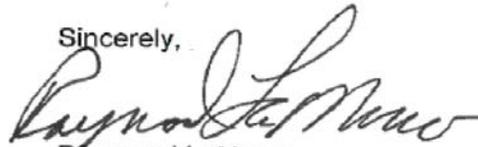
In closing, NYSDOT notes that OSC’s Examiner in Charge responsible for the day-to-day audit work engaged in inappropriate and harassing behavior of a NYSDOT employee – for which he was arrested and charged - during this audit process. Despite being the Examiner in Charge and being the primary conduit for the review and dissemination of materials provided by NYSDOT, he is not listed as a participant or author of the audit. NYSDOT is concerned that many of the findings and recommendations included in this audit were unduly impacted by the Examiner in Charge’s actions during the audit, and his apparent lack of participation in the final audit drafting. Specific to the finding/recommendations included in the draft report, NYSDOT offers the attached for your further consideration.

**State Comptroller’s Comment** – The individual in question was removed from the audit in the fall of 2018 when the situation was brought to OSC’s attention, and he left the agency shortly thereafter. OSC does not tolerate such behavior. The audit was written subsequent to these events and the draft audit was issued to the Department on April 18, 2019 – over half a year later. It is therefore surprising that Department officials would insinuate that there was an issue with this individual not being included as an author or participant on the report. As Department officials are aware, this individual was no longer with the agency when the report was written and it is not OSC’s practice to list participants – only major contributors to the report. Additionally, Department officials attempt to raise doubts about the audit work by exaggerating the role played by this individual in order to raise concerns regarding this individual’s influence on the audit’s outcome. However, these concerns are

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unfounded. Audit standards require audit work papers and reports go through multiple layers of review, and no one individual is the primary reviewer of information or author of a report – such supervision and quality assurance standards protect the integrity of the audit. Department officials, despite their protestations of good faith, never discussed these “concerns” with the audit team and instead chose to raise them for the first time in their written draft response – eight months after these events occurred.

Sincerely,



Raymond LaMarco  
Assistant Commissioner  
Administrative Services

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**Attachment 1**

**NYSDOT Draft Report Comments**

Throughout the report, the Audit Team speculates that NYSDOT may have saved money if the Agency had elongated project delivery schedules. Setting aside the Audit Team's opinion on project delivery, the audit fails to recognize that the timing of these new facilities was coordinated to maximize utilization to the traveling public during peak travel seasons.

**State Comptroller's Comment** – The Department's comment does not reflect the auditors' position regarding project delivery. The facts are that the Department stated, in response to our preliminary findings, that the benefits of having the Welcome Centers open earlier far outweighed any additional expense that occurred as a result of accelerating the project schedule. However, when asked to support the statement, the Department did not provide any information.

The audit also equates Orders on Contracts with wasteful spending, when in fact many of these changes during design and/or construction provided additional value to the traveling public at a reasonable cost. For example, additional sewer costs cited for the Long Island Welcome Center were due in part to enhance services available to motorists. Addressing the sewer costs outside the core building construction costs was a more cost-effective delivery method. Furthermore, according to OSC's Capital Planning guide, "contingencies happen", so it is important to provide for them.

**State Comptroller's Comment** – The Department's position that a sewer system was intentionally omitted during the bidding process as being a more effective delivery method is not a rational position. The planning for a sewer system is not a contingency item, but rather a necessity for a public facility and should not have been left until one month before project completion. Additionally, records show that the need for a new sewer system dated back to 2006.

The audit states: "By not providing a safe, comfortable, and convenient place for motorists to rest, the Department has not achieved its overarching guiding principle for capital project planning – safety." The Audit Team's conclusion is baseless. Safety is NYSDOT's top priority. The Audit Team apparently relied on its misinterpretations of guidelines issued by the American Association of State Highway and Transportation Officials (AASHTO) pertaining to rest areas. Notwithstanding extensive discussions pertaining to these discretionary guidelines and NYSDOT's own rest area policies, the Audit Team continues to assert that New York State is not "in compliance" with its misreading of these discretionary guidelines. In fact, the AASHTO guidelines recognize the need to consider factors beyond geographic spacing, including highway operating conditions, traffic patterns and volumes; and availability of private services at highway exits.

Just as the Audit Team ignores that AASHTO guidelines on rest areas recognize the need to evaluate the transportation systems as a whole in order to best invest public funds to meet critical needs, the Audit fails to acknowledge that rest areas are just one of the many assets managed and maintained by NYSDOT.

**State Comptroller's Comment** – Multiple times during the audit, Department officials referred to AASHTO guidelines and have included them in their own Policies.

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Regarding the need to consider factors beyond geographic spacing (including highway operating conditions, traffic patterns and volumes, and availability of private services at highway exits), we requested the Department provide documented examples for the two areas of non-compliance, and the request was not fulfilled.

**NYSDOT Response to OSC Recommendations**

1. Strengthen planning for Welcome Centers and Rest Areas by following Department policies and procedures related but not limited to: project planning as described in the Project Development Manual, entering comments into PSS as described in the PPMIS Instructions, Case I Reviews, and MOU requirements as described in the Highway Design Manual.

**NYSDOT Response** – We disagree with this recommendation.

**State Comptroller’s Comment** –We are surprised that the Department disagrees with following its own policies and procedures.

The Audit Team fails to fully recognize the scope and extent of the transportation infrastructure that falls under the operations/maintenance jurisdiction of NYSDOT. NYSDOT has a comprehensive set of project development/delivery manuals, instructions and guidelines. These documents, which were provided to the Audit Team, clearly detail a consistent approach in guiding the delivery of a wide variety of capital project types. OSC’s audit does not acknowledge that the welcome center/rest area rehabilitation/construction development process audited was a multi-agency initiative that incorporated strategic priorities and design elements funded by others. As such, the Welcome Center process necessarily differed from NYSDOT’s typical capital planning process. OSC specifically questioned certain process steps, such as the Initial Project Proposal (IPP), that were not necessary or in some cases inappropriate for this initiative. Notwithstanding, recognizing the age of the Project Scheduling System (PSS), NYSDOT is in the process of implementing a new program management system – Oracle Primavera Portfolio Management (OPPM) system. OPPM will replace the current and provide enhanced utility and consistency between Regions and further strengthen ongoing planning. With respect to the MOU, DOT will ensure that the responsibilities for space in these facilities, utilized by other agencies, such as I love NY, are memorialized.

**State Comptroller’s Comment** – Although the Welcome Centers program is a multi-agency initiative, Welcome Centers are Department capital projects and the Department needs to adhere to its policies and procedures.

2. Create and maintain a transparent environment that allows for the examination of the decision-making process and use of public resources of a State government agency.

**NYSDOT Response** – We disagree with this recommendation.

**State Comptroller’s Comment** – The Department disagreeing to create and maintain a transparent environment is inconsistent with its response to the recommendation.

NYSDOT maintains transparency throughout the planning, contracting and delivery of

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its capital projects. Resources available to the public include, among other things: Projects in your Neighborhood and the Statewide Transportation Improvement Program. Additionally, NYSDOT provided the auditors with access to all of the requested materials in our possession such as, information on the National Environmental Policy Act; technical memorandum detailing scope changes; Daily Work Reports; and design agreements. As detailed above NYSDOT responded to OSC in good faith, making every effort to ensure that all representations made were accurate and discussed in detail with the Audit Team.

**State Comptroller's Comment** – Multiple items requested were not received. For example, a key item not received was detailed plans for individual completed Welcome Centers or those under development.

3. Document planning and implementation decisions that follow the systems in place for the planning, design, and construction of Welcome Centers.

**NYSDOT Response** - We disagree with this recommendation. All of the projects reviewed as part of this Audit fully adhered to the Design Approval Document procedure.

**State Comptroller's Comment** – As noted previously, the Department either withheld information or did not have information to document its decisions. The Department's disagreement with the need to document planning and implementation decisions may in part have led to the deficiencies identified in the audit. As stated in New York State's Internal Control Standards; management should document such information to create "organizational history that can serve as justification for subsequent actions and decisions and will be of value during self-evaluations and audits."

4. Identify solutions to bring the Interstate 81 corridor and westbound Long Island Expressway in compliance with AASHTO spacing guidelines.

**NYSDOT Response** - NYSDOT strongly disagrees with OSC that the discretionary AASHTO guidelines apply in these instances or with the assertion that the State is in non-compliance. As discussed repeatedly with the Audit Team, both of these highway segments pass through densely populated urbanized area with plenty of stopping opportunities. The AASHTO guidelines provide broad discretion in the spacing and types of services offered need to be in the context of limited funding; service demand; and availability of other facilities (including private) for stopping opportunities. For example, ample stopping points with services exist along I-81 and the Long Island Expressway (I-495) in the areas cited by the audit include:

I-81N - <https://iexitapp.com/exits/New%20York/I-81/North/209>

I-81S - <https://iexitapp.com/exits/New%20York/I-81/South/209>

I-495W - <https://iexitapp.com/exits/New%20York/I-495/West/651>

I-495E - <https://iexitapp.com/exits/New%20York/I-495/East/651>

**State Comptroller's Comment** – Although the Department strongly disagrees, the Department has had or planned to have highway facilities to provide motorists with services for both I-81 and the Long Island Expressway. Although along almost every highway, local entities exist that can provide

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services, the concept of rest areas on highways is so that motorists can have easily accessible services that are safe and comfortable, without incurring a substantial delay in their travels

5. Maintain current Rest Area Plans and Rest Area corridor plans

**NYSDOT Response** - NYSDOT supports and already complies with the recommendation to refresh and consolidate the current welcome center/rest area policy; procedures; and guidance. NYSDOT notes that the existing suite of documents, including corridor plans, policies and procedures, provide sound guidance for implementing these projects and are consistent with national guidelines.

6. Develop and implement detailed policies and procedures regarding the processing of deleted, deferred, or withdrawn projects and the exemption/waiver process for both MURK Reviews and PQARs.

**NYSDOT Response** - We disagree with this recommendation. The PSS database is the system of record for project termination. The deletion of temporary project numbers or other unused database items are merely database management practices. NYSDOT will further enhance its processes through the new OPPM.

According to the Contract Administration Manual (CAM), a MURK review is performed to assure that contract records are kept in accordance the MURK manual and other pertinent policies and procedures. Due to the nature of the project, the region chose to assign the MURK reviewer to the Southern Tier project as the office engineer to ensure records were properly kept thus meeting the intent of the CAM. There was no waiver of the review, only a delegation of the task to the office engineer which is appropriate for this project.

The Project Quality Assurance Report (PQAR) provides feedback on project designs as a result of the experience gained during construction. The justification for the exemption was that the Southern Tier project was not a typical NYSDOT project and therefore there was little to be learned or gained for similar type projects. The exemption followed was standard practice that has been in place for quite some time, but it is not documented in the CAM. NYSDOT will revise to document the exemption process in the CAM.

# Contributors to Report

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## Executive Team

**Andrew A. SanFilippo** - *Executive Deputy Comptroller*

**Tina Kim** - *Deputy Comptroller*

**Ken Shulman** - *Assistant Comptroller*

## Audit Team

**Carmen Maldonado** - *Audit Director*

**Robert C. Mehrhoff, CPA** - *Audit Manager*

**Bob Mainello, CPA** - *Audit Supervisor*

**Melissa Davie** - *Examiner-in-Charge*

**Andrew Philpott** - *Examiner-in-Charge*

**Jonathan Julca** - *Mapping Analyst*

## Contact Information

(518) 474-3271

[StateGovernmentAccountability@osc.ny.gov](mailto:StateGovernmentAccountability@osc.ny.gov)

Office of the New York State Comptroller

Division of State Government Accountability

110 State Street, 11th Floor

Albany, NY 12236



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