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State Aid Program Requirements



When a municipality enters into a State Aid agreement utilizing funds distributed through NJDOT’s Local Aid Program, they must meet the designated program deadline by awarding the construction contract within **24 months** of receiving their grant notification. If the municipality fails to award the project within this timeframe, their funds can either be **voluntarily canceled** by the municipality, releasing the funds back to the Department, or the Local Aid District Office will **rescind the funds**.

Local Aid District Office reviews and approves the contract documents. At minimum, the district office has 30 days to complete the review and request revisions, if required. After receiving written approval of the contract documents, the municipality may advertise the project. If the project is advertised before the contract documents are approved, the project may be subject to readvertising; this could prevent the municipality from meeting the 24-month deadline.

Other requirements that a municipality must follow to prevent jeopardizing grant funds are:

- Do NOT advertise the project for bid before the

- Starting construction prior to the Department’s concurrence in the award will result in the project’s ineligibility to use the grant funds, and the funds will be rescinded.

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Pictured: Route 27/Washington Road, Princeton

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Extension of Time

In the event a project cannot be awarded with the 24-month deadline, there are extraordinary circumstances which would allow a municipality to request a one-time extension, no greater than 6-months. Extension requests are reviewed on a case-by-case basis and at the discretion of the Department.

As identified in the regulations, the circumstances for an extension request are:

- **Bidding issues** – Bids received before the deadline but exceeding the original estimate. The municipality must demonstrate that they will readvertise within three months or financing will be arranged to award the project within six months.
- **Permits not approved** – Environmental permit applications submitted and accepted by permitting agency within 12 months of Local Aid agreement execution, but the permits have not yet been received. The municipality must provide details of the issues, including when the permits were applied for.
- **Utility relocation** precludes advertisement, bid, and award during 24-month deadline. The municipality must demonstrate communication and coordination with all utilities within 12 months of Local Aid agreement execution, and utility companies must indicate that relocation work must be performed prior to construction.
- **Right-of-way (ROW)** is not available. The municipality must provide ROW acquisition schedule details and any issues precluding construction.
- Declaration of a **state of emergency** by the Governor of New Jersey or President of the United States. The declared state of emergency must directly impact the ability of the municipality to award the contract. The details on the project's schedule and details on how the state of emergency precluded the advancement of the project. COVID-19 is no longer acceptable as the emergency declaration is no longer in effect.



**PMRS website
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Award deadline extension requests must be submitted in PMRS (Project Management & Reporting System) a minimum of **30 days prior to the 24-month deadline**. A resolution passed by the governing body requesting the extension is required. Justification for the extension of time demonstrating the ability to award the contract must include a project schedule.

