



## State of New Jersey

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

CHRIS CHRISTIE  
*Governor*

JAMES S. SIMPSON  
*Commissioner*

KIM GUADAGNO  
*Lt. Governor*

December 13, 2013

SUBJECT: Salary Cost Escalation Embedded in Consultant Agreements

Dear Consultant:

In a letter to the consultant community dated February 27, 2013, the community was asked to continue cost escalation restrictions that were implemented on October 19, 2009. The Department appreciated that the community has adhered to the policy and wants to formally extend, with this notification, the terms of the policy through June 30, 2014.

"All new Cost Plus Fixed Fee Agreements, Fixed Price Agreements, and Extra Work Modifications will permit salary escalation of three (3) percent per annum for titles in the ASCE P1-P4/NICET I-II categories. No salary cost escalation will be allowed for higher level titles for the first 18 months of planned contract duration. For agreements with a planned duration exceeding 18 months, higher level titles will be allowed three (3) percent per annum increases for that portion of the schedule in excess of 18 months. For budgeting purposes it will be assumed that all employees receive the increase at the midpoint of the contract."

Thank you for your anticipated cooperation and support. If you have any question please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "A.F. Genovese".

Anthony F. Genovese  
Director, Division of Procurement  
NJ Department of Transportation

C: Commissioner James S. Simpson  
Deputy Commissioner Joseph W. Mrozek  
Chief of Staff Joseph Bertoni  
Chief Financial Officer Gary Brune  
Assistant Commissioner Richard T. Hammer  
Assistant Commissioner David A. Kuhn  
Assistant Commissioner Richard Shaw  
Assistant Commissioner Dennis Motiani