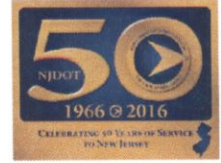




State of New Jersey

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



RICHARD T. HAMMER
Acting Commissioner

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

June 15, 2016

SUBJECT: Salary Cost Escalation Embedded in Consultant Agreements

Dear Consultant:

In a letter to the consultant community dated November 9, 2015, the community was asked to continue cost escalation restrictions through June 30, 2016. The Department appreciates that the community has adhered to the policy and wants to formally extend, with this notification, the terms of the policy through December 31, 2016.

"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,

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