



State of New Jersey

DEPARTMENT OF TRANSPORTATION

P.O. BOX 600

TRENTON, NJ 08625-0600

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

JAMES S. SIMPSON
Commissioner

February 27, 2013

SUBJECT: Salary Cost Escalation Embedded in Consultant Agreements

Dear Consultant:

In a letter to the consultant community dated October 19, 2009, the community was asked to implement cost escalation restrictions for a period of 18 months. The Department appreciates that the community has voluntarily adhered to the policy beyond the original expiration date and wants to formally extend, with this notification, the terms of the policy through December 31, 2013.

“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 questions, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "A. F. Genovese".

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

/DSK

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
Executive Director Dennis Motiani