

**New Jersey Department of Transportation**  
**CONSTRUCTION ADVISORY**

<b>NUMBER:</b> 12	<b>Change Orders</b>	10/25/2012
<b>CATEGORY:</b> Office		

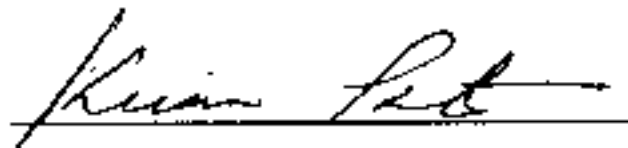
The 2007 Standard Specifications Subpart 104.03.03.1 allows for the renegotiation or acceptance of bid prices for Items when certain criteria are met.

When a Change Order is processed for a quantity increase that allows for the renegotiation of the unit price for an Item, the RE must provide to the Regional Construction Engineer (RCE) one of the following:

1. An explanation why the renegotiated price is considered reasonable and acceptable
2. An explanation why the bid price is considered reasonable and acceptable when the price is not renegotiated.

The RE must document his or her explanation and detailed analysis in a written memorandum, which will be referenced in the Change Order and retained in the file.

Additionally, when considering a renegotiation of a unit price for an item that is performed by a subcontractor, the RE is reminded that the subcontract agreement may be a source of useful information in regard to the RE's price analysis. However, the RE should be aware that the cost basis for a subcontractor agreement may differ substantially from the Contract with the Contractor.



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