



State of New Jersey

DEPARTMENT OF TRANSPORTATION

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PHILIP D. MURPHY
Governor

DIANE GUTIERREZ-SCACCETTI
Commissioner

SHEILA Y. OLIVER
Lt. Governor

November 25, 2020

SUBJECT: Salary Cost Escalation Embedded in Consultant Agreements

Dear Consultant:

The New Jersey Department of Transportation (NJDOT) appreciates that the consultant community continues to adhere to the policy concerning the salary escalation of three (3) percent per annum for titles in the ASCE P1-P4/NICET I-II categories. The NJDOT is formally extending the existing policy:

"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. This policy will be reviewed as necessary in the future. If you have any question please feel free to contact me at your convenience.

Sincerely,

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

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