Connecticut DOT

Bureau of Engineering and Construction

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ENGINEERING & CONSTRUCTION BULLETIN

Bureau Chi

Digitally signed by Thomas A. Harley, P.E.
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Date: 2016.09.07 16:28:31-04'00'

Cost of Living Adjustments
Cost Plus Fixed Fee Consulting Engineer Agreements

The Commissioner's letter (copy attached) is to be implemented using the following points of clarification:

- Although future cost-of-living increases will be established in new, cost plus agreements, supplemental agreements, extra work claims and task assignments, cost of living increases will not be approved while the moratorium is in effect.

- Wage rates associated with promotions will be governed by the "Consulting Engineer Staff Wage Rate Changes, Cost Plus Fixed Fee Agreements" (2015-2-EC) directive.

Attachment

STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION
2800 BERLIN TURNPIKE, P.O. BOX 317546
NEWINGTON, CONNECTICUT 06131-7546

Office of the
Commissioner

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Dear Consultant:

The State of Connecticut has needed, and will continue, to make difficult decisions regarding our current fiscal crisis. As you may be aware, state employees have been asked to be part of the solution and I am asking your team to also be part of the solution by working collaboratively with the Department of Transportation (Department) on the cost-of-living adjustments negotiated with your firm.

Therefore, commencing September 1, 2016, any new or supplemental agreements, extra work claims, and task-based assignments which have not been negotiated to date will not include cost-of-living increases. The Department will continue to escalate the rates on Cost Plus and Billing Rate contracts to the scheduled project end date as is the current practice; however, current rates will be billed to the Department until the wage freeze is lifted.

The Department has numerous contracts already in force with consulting firms for design, construction engineering and other services for major Connecticut projects. The Department will not be approving any rate adjustments on active Cost Plus and Billing Rate type contracts. I realize that it will be difficult to make adjustments to anticipated cost-of-living increases for your employees; however, given the current challenging financial situation, these actions are warranted.

Once the economic crisis is over, the Department will allow cost-of-living increases prospectively only. With your cooperation, we can move forward in negotiating contracts necessary in solving Connecticut's transportation problems. The Department has had an excellent working relationship with the consultant community and it is my hope to maintain that relationship. Connecticut has shown a strong commitment to maintaining and improving the state's transportation infrastructure and, with your support; we can continue to provide a viable transportation system.

Sincerely,

James Redeker
Commissioner