

**New Jersey Department of Transportation
CORRECTIVE ACTION NOTICE**

QUALITY MANAGEMENT SERVICES

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Approved: B. Strizki
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Bureau(s) Affected: All CPM Units

Description of Problem(s)/Policy Announcement:

The Department currently utilizes the concept of multi-year funding to fund construction of certain conventional (Design/Bid/Build) projects and construction and final design of certain Design/Build projects. Specification revisions to subsection 101.01 have been developed to incorporate this concept into the Special Provisions of these selected projects.

The revisions allow for four options based on the type of project (Conventional or Design/Build), and the funding source (Federal participating or 100% State). The options are as follows:

	<u>Type of Project</u>	<u>Funding Source</u>
Option 1	Design/Build	Federal Participating
Option 2	Design/Build	100% State
Option 3	Conventional (Design/Bid)	Federal Participating
Option 4	Conventional (Design/Bid)	100% State

The specifications for each of these four options along with detailed instructions for their use are attached. These instructions supersede those under Section 4.3 of the NJDOT Procedures Manual.

General Information

The last paragraph of each Option provides for the insertion of the year of the approved Capital Program in which construction and design of the project will commence, along with the amount, in millions of dollars. In addition, it provides for the insertion of the anticipated additional funding in subsequent fiscal years. Lastly, the final year of construction funding is to be provided.

If during development of the Capital Program it is determined that a project may need to be multi-year funded, the Project Manager (PM) shall provide to Capital Program Development (CPD) a breakdown of the estimated construction cost per fiscal year based on the construction staging of the project. On Design/Build projects the cost for final design shall also be included. These costs shall be the basis to determine the yearly funding breakdown. This shall include all costs associated with the project such as construction engineering costs, utility relocation costs, ROW costs, etc. However, the values to be included in the specifications shall include only the costs to be paid to the contractor. In order to provide for the unanticipated, it is recommended that a factor of five to ten percent per year be added to the estimate. When CPD finalizes the breakdown, it will be provided to the PM, who in turn will give the information to the Quality Assurance Unit (for consultant design projects) or the Geometrics Production Section (for in-house

design projects) for inclusion in the project's Special Provisions.

Additionally, on Federally funded projects the Project Manager shall state in the transmittal letter to the FHWA for the PS&E submission, that the construction on conventional projects, and construction and final design on Design/Build projects will be multi-year funded. The PM shall provide to the FHWA a cost loaded CPM including the cost breakdown by activity and year.

If the amount of funding is revised at any time prior to the award, the Project Manager must ensure that the contract documents, especially the staging, are revised accordingly so that the amount of construction that can reasonably be done does not exceed the amount of funds provided.

Corrective Action Plan:

In order to allow projects to be developed under the multi-year funding concept, the following actions and responsibilities must be observed:

Designer (Consultant or In-House)

Responsible for developing the estimate of construction costs per fiscal year and developing the cost loaded CPM.

Division of Project Management

Project Manager – Responsible for the following:

1. Obtaining the estimated construction costs per fiscal year from the Designer and providing this information to Capital Program Development.
2. Providing the yearly funding breakdown to the Quality Assurance Unit or Geometrics Production Section as appropriate for insertion into the project's Special Provisions.
3. Obtaining the cost loaded CPM from the Designer and including it in the PS&E submission to FHWA (for federally funded projects).

Division of Design Services – Quality Assurance Unit and Geometrics Production Section (In-House Design)

Roadway Specification Development Groups – Responsible for ensuring that the appropriate option is incorporated and inserting the funding breakdown provided by the PM in the project's Special Provisions as per the instructions in the attachment.

Bureau of Quality Management Services – Configuration Management Unit

Responsible for incorporating these provisions into the Standard Specifications and NJDOT Procedures Manual by Baseline Document Change

Until these provisions are incorporated into the NJDOT Specifications and Procedures Manual, this Corrective Action Notice shall be in effect.

Implementation: Immediately