

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

**QUALITY MANAGEMENT SERVICES**

**Manager: Brian Strizki**

**Telephone: (609) 530-6363**

**CAN No. CAN047**

**Approved: B. Strizki**

**Date: 9/13/2001**

**Subject:** Cost Backup Information for Nonstandard Items and Standard Lump Sum Items

**Bureau(s) Affected:** Division of Project Management All Design Consultants & Sub-Consultants  
In-House Design/QA Review Units

**Description of Issue(s):**

Cost backup data for nonstandard items and standard lump sum items (such as Clearing Site, Bridge, Cofferdams, Structural Steel, etc.) is required in order to properly prepare and review engineer's estimates. It is important that the designer of a project justify the means and methods that were used in developing the costs contained in the engineer's estimate. The Cost Estimating Unit of the Bureau of Program Support Services also needs this backup information in order to ensure that cost estimates for Department projects are accurate so that sufficient funds are programmed for each project.

Subsection 4.3.3.1 (Preparation of Final Engineer's Construction Estimate) of the NJDOT Procedures Manual requires designers to submit a Construction Cost Estimate Work Sheet for items whose costs exceed one half million dollars or exceed 1% of the total project cost. However, this subsection does not require designers to submit cost backup data for nonstandard items and standard lump sum items. The Cost Estimating Unit has been requesting cost backup data for nonstandard items and standard lump sum items from design consultants, and has had difficulty obtaining it on many projects.

**Corrective Action Plan:**

In order to ensure that the cost backup data for nonstandard items and standard lump sum items is received, it will be made a **requirement** as part of the Final Design Submission. All designers must submit cost backup information detailing the means and methods that were used in determining the prices contained in the estimate. Previous bid histories for similar work, quotes from suppliers and manufacturers, scratch based estimates (listing proposed equipment, labor, markup and materials) or any combination of these methods is acceptable. This requirement will apply immediately to all projects where the Final Design Submission has **not** yet been received. To ensure its implementation, the responsibility of each Unit shall be as follows:

**Designers (consultants and in-house):**

For the Final Design Submission of capital projects, designers (consultant and in-house), shall submit cost backup for **all nonstandard items and standard lump sum items**, as detailed above.

**Bureau of Program Support Services (BPSS):**

The Cost Estimating Unit of BPSS shall be responsible for advising the Project Manager for further action if the required information is not included as part of the Final Design Submission.

**Quality Management Services:**

Quality Review and Development section – This unit shall be responsible for preparing a Baseline Document Change request to incorporate the cost backup requirements for nonstandard items and standard lump sum items into the NJDOT Procedures Manual (Subsection 4.3.3.1 and Section 6, Attachment 2 – QA Checklist for Final Design Submission.)

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

**Implementation: *Effective Immediately***