

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

Capital Program Support

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CAN No. CAN070

Approved: Lynn Rich

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Subject: Annual Update of Construction Cost Estimates

Bureau(s) Affected: All Design Consultants
In-House Design/QA Review Units
Division of Design Services
Division of Project Management
Division of Project Planning Development

Description of Issue(s): There is a new method for creating the engineer's estimates for the annual update of Construction Cost Estimates, using the *Construction Cost Estimating Guidelines*, released via BDC06T-06 dated Dec. 8, 2006. This replaces the *Construction Cost Estimation Preparation Manual for Preliminary Design* and associated spreadsheets, last released via BDC04T-08 dated Aug. 19, 2004.

Corrective Action Plan: Use the Trns*port CES program to create the Construction Cost Estimate. Reference the *Construction Cost Estimation Guide* at <http://www.nj.gov/transportation/business/trnsport/estimation.shtm>.

Instructions to Designers (In-House and Consultant)

Submit a Construction Cost Estimate for all projects under design to the Project Manager by August 24, 2007. Projects that have had a Final Design estimate submitted within the past 3 months do not need an update. Please ensure that the correct Classification is selected. The estimate, using the Trns*port CES program, shall include the appropriate Construction Engineering (CE), Change Order Contingency, Utility, and ROW amounts. In addition, estimates shall be revised whenever during the year there is a significant change in the scope of a project. These revised costs will be used to develop the fiscal year 2008 construction program and beyond.

Instructions to Project Managers

The Project Manager must review all estimates to ensure that the Designer is using the current forms and is using the appropriate Classification. The Project Manager will also verify the Utility and ROW costs with the respective Bureaus. The Project Manager will input all the required information into the Project Reporting System (PRS) Budget Information Tab after completing the review of the estimates. If the Project Manager finds that a submitted estimate is unsatisfactory, the Cost Estimators in the Quality Assurance Bureau are available for guidance.

Implementation:

Immediate.



Superseded