

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

QUALITY MANAGEMENT SERVICES

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Approved: Brian Strizki

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Bureau(s) Affected: Division of Construction and Materials
Division of Project Management

Description of Problem(s):

Recently there have been several instances where the Resident Engineer and/or the Project Manager, has authorized the contractor to perform additional work not included in the original contract without having obtained additional funding and/or FHWA approval.

As an example, on a recent 100% State Funded project, an unforeseen situation was encountered and the contractor was directed to proceed with the extra work. Based upon the estimated quantity of the work and the negotiated unit price, an additional amount of almost \$900,000.00 was needed. This reflected an increase of about 40% **over** the project's funding ceiling.

Corrective Action Plan:

It is recognized that changes may be required when unforeseen circumstances arise during construction that may require extra work as governed by Subsection 104.02 of the NJDOT Standard Specifications. **However**, when the cost will exceed the project's available contingency balance for FHWA funded projects or the ceilings for 100% state funded projects, the Resident Engineer and/or Project Manager shall not authorize any additional construction until an appropriate funding source has been identified in accordance with Section 5.2 of the Procedures Manual.

Implementation: Immediately