Dear Consultant:

A little over two years ago I wrote to the consultant engineering community concerning wage escalation and reimbursements on Department projects. The wage freeze implemented at that time was a necessary measure required because of the fiscal crisis confronting the State. Unfortunately, the financial challenges associated with the Special Transportation Fund extended into 2018 and were not resolved until the new budget was passed in October.

Your letter of December 3, 2018 describes some of the effects the wage freeze has imposed upon the consultant firms with which we do significant business. We appreciate the cooperation and understanding of all involved in helping the Department work through the fiscal challenges over the past two years.

In consideration of the issues raised during our meeting of November 28, 2018 and further enumerated in your letter of December 3, 2018, the Department has reviewed the issues associated with the consultant wage freeze and determined the following:

- Firms receiving new assignments on or after December 1, 2018, which have not already been negotiated, will include an annual cost-of-living adjustment of 3%.

- Firms negotiating Supplemental Agreements, Task Assignments, or Extra Work after January 1, 2019 will be allowed an annual cost-of-living adjustment of 3% in the negotiated fee. Separate approval for the new wage rates must be obtained from the initiating unit before the new rate becomes effective for invoicing purposes.

- Firms with existing agreements that include reimbursable wages or billing rates will be allowed an annual cost-of-living adjustment of 3% effective February 1, 2019. Separate approval for the new wage rates must be obtained from the initiating unit before the new rate becomes effective.

It must be emphasized that these adjustments will be considered prospectively only and in no way will be applied retroactively to prior periods.

The consultant community is an important partner in delivering a safe and efficient transportation system which supports the economic vitality of the State of Connecticut. Thank you for your cooperation in this matter.

The Department looks forward to continuing our strong business relationship.

Sincerely,

[Signature]

James Redeker
Commissioner