



CONSTRUCTION ADVISORY

June 21, 2017

UTCA ASPHALT PAVING COMMITTEE SECURES SIGNIFICANT CHANGE TO NJDOT OPERATIONS DIVISION'S MOBILIZATION BID ITEM

UTCA's newly formed Asphalt Paving Committee recently held its first meeting with the New Jersey Department of Transportation. The purpose of the meeting was to initiate a meaningful dialogue regarding construction issues facing the asphalt paving industry.

UTCA is happy to report that the first major change to Department processes has been attained after only one meeting. **Beginning in the new fiscal year, NJDOT will do away with fixed mobilization costs on all Operations projects.** Often NJDOT Operations Division bids contracts that restrict Contractors to fixed amounts for mobilization. As a result, contractor's actual mobilization costs can exceed the fixed amount allowed by the NJDOT and force Contractors to spread the cost across other items.

Starting July 1, 2017 all projects bid by NJDOT's Operations Division, with the exception of "if and where directed" and emergency projects, will treat mobilization the same as Capital Project Management (CPM) projects. CPM allows contractors to set their own mobilization costs, but will only pay an amount that is 10% or less of the total contract value up front, anything over 10% is paid at the end of the project. For emergency work and/or if and where directed work, the Department will pay contractors time and materials plus mark up.

This is a significant step in the right direction for the industry as it will allow contractors to properly identify their mobilization costs in their bids. This will also be of benefit to the Department and the taxpayers as contractors will not have to spread mobilization costs across other items.

UTCA will keep you up-to-date to on the association's continued progress in this area.