



# COMMONWEALTH of VIRGINIA


DEPARTMENT OF TRANSPORTATION  
1401 EAST BROAD STREET  
RICHMOND, VIRGINIA 23219 2000

Charles A. Kilpatrick, P.E.  
Commissioner

July 14, 2016

## MEMORANDUM

**TO:** The Consultant Community

**FROM:** Jeff Rodgers   
Consultant Procurement Director  
Alternative Project Delivery Division  
Virginia Department of Transportation

**SUBJECT:** Escalation Rate for Professional Services Contracts, July 1, 2016 through June 30, 2017

The VDOT Professional Services Contract escalation rate for FY 17 is 1%. This rate was derived from the Employment Cost Index, Table 9, Professional, Scientific and Technical Services. On July 1, 2016 the referenced rate was .4%. VDOT has previously decided that professional service contract escalation rates will be limited to a range of 1% to 3%. Per VDOT policy, contracts will be allowed  $\frac{1}{2}$  of the approved escalation rate for the first calendar year of the contract and the full escalation rate for each additional contract year.

All Requests for Proposals will include specific language specifying the approved escalation rate for that contract. Questions regarding contract escalation rates should be directed to the VDOT Consultant Procurement Office.