



STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
16 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0016

Janet T. Mills
GOVERNOR

Bruce A. Van Note
COMMISSIONER

October 11, 2023

Dan Diffin, President
ACEC of Maine
451 Webbs Mills Road
Raymond, ME 04071

RE: Request to Eliminate Direct Labor Salary Rate Cap

Dear Dan:

Thank you for your letter of September 27, 2023. Although we understand your desire to lift or increase the salary cap and related annual inflation adjustment, after careful consideration, we have decided to move forward with the proposal included in the previously shared memo. As you are aware, those recommendations provide for the opportunity to review the limits and make adjustment in the future. The adjustment provisions were intentional, and we expect to monitor the process and collect wage data in preparation of those adjustments.

With regard to your specific requests for clarification, we offer the following.

1. Fixed Burden Hourly Rate Contracts will not be adjusted.
2. For the Adjustable-rate Contracts:
 - a. Starting January 1, 2024, Adjustable Burdened Hourly Rate contracts with a completion date beyond 12/31/24 may be adjusted under the new wage limit policy.
 - b. Adjustable Burdened Hourly rate contracts with a completion date on or before 12/31/24 remain subject to the prior wage limits.
3. The wage rate waiver process will remain the same. Forms will be updated and posted to the website.
4. The Department will continue to evaluate each waiver request on a case-by-case basis.
5. Requests for profit above 10% should be submitted as part of the proposal package. Profit above 10% will be approved on a case-by-case basis.

As stated in my previous letter, our intent was to implement the new wage policy by 10/1/23. I delayed that while we considered your comments and questions. The new wage rate limit and related policies will be implemented and announced through the Contract Procurement Office website on or before October 19, 2023.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Bruce A. Van Note'.

Bruce A. Van Note, Commissioner