

Loans

Appendix to Change Order Letter

The change orders mentioned in the body of this letter have been deemed, either wholly or in part, unallowable for State funding. This determination of unallowability is based upon one or more of the following reasons.

1. Prior approval is required (NJAC 7:22-3.20 and 3.22; 7:22-4.20 and 7:22-4.22).
2. Work outside the scope of project (NJAC 7:22-5.11). The scope of project being defined as the limits of the work set forth by the project documents at the time of the award of the loan. Therefore, this work does not meet the criteria for work, which can be submitted for work, which is done after the award of the loan and is within the scope of the project.
3. A loan modification is required (NJAC 7:22-3.20, 3.21 and 7:22-4.20, 4.21).
4. Costs not necessary for the construction of a treatment works project.
5. Construction, CAFRA, Wetlands, Dewatering or other permits not obtained (see remarks).
6. Work not included in facility plan.
7. Required clearances not obtained (i.e. historic sites, OEA, 208 Planning, etc.).
8. Costs were incurred as a result of time delays, which have been determined to be unallowable.
9. Excessive delay in submission of change order (NJAC 7:22-3.19 and 7:22-4.19).
10. Area serviced not eligible.
11. Procurement regulations not followed.
12. Work is a part of and is usually and customarily required to complete the job.
13. Work was necessary to correct defective work or material.
14. Work which must be redone is not allowable for loan participation. (NJAC 7:22-5.11).
15. Work is the contractor's responsibility, to be done at his own expense (as per specification section).

16. Change will result in adverse environmental impact or environmental impacts not taken into account.
17. Increase due to cost escalator.
18. Cost shown is not related to change.
19. Profit is excessive (f) NJAC 7:142.7 and NJAC 7:14-2.14.
20. Unapprovable method of calculating overhead and profit NJAC 7:14-2.7, NJAC 7:14-2.14.
21. Cost is for unnecessary material or equipment. (NJAC 7:22-5.8).
23. Error in calculations.
24. Engineer's estimate not included.
25. Work is already a part of the contract (refer to specifications Section).
26. Summary of negotiation required.
27. House laterals and/or storm drains are not allowable for funding.
28. Credit not given for work eliminated.
29. Insufficient back-up documentation (see remarks).
30. Cost exceeds allowable limits for trench backfill and/or road paving (NJAC 7:14-2.12).
31. Other (see remarks).

Change Order

Applicable Reason(s)