SUPERSEDED BY
EB 15-031
EFFECTIVE 9/28/15

*New York State Department of Transportation*
**ENGINEERING INSTRUCTION**

**EI**
**12-006**

Title: **STANDARD SPECIFICATIONS SECTION 698 *PRICE ADJUSTMENTS***

Target Audience:
☒ Manufacturers (18) ☒ Surveyors (33)
☒ Local Govt. (31) ☒ Consultants (34)
☒ Agencies (32) ☒ Contractors (39)
☐ ______ ( )

Approved: , P.E. 3-14-12

James F. Tynan, P.E.
Deputy Chief Engineer (Construction)
Date

**ADMINISTRATIVE INFORMATION:**

- This Engineering Instruction (EI) is effective beginning with projects submitted for the letting of 09/06/12.
- This EI does not supersede any other issuance.
- The revisions issued with this EI will be incorporated into the next update of the Standard Specifications.

**PURPOSE:** The purpose of this EI is to issue a revised Standard Specification Section 698 *Price Adjustments*.

**TECHNICAL INFORMATION:**

- The revised specification requires the Contractor to notify the Engineer within 30 calendar days after contract award of the items to which the Contractor wants to apply steel/iron price adjustments.
- All items that the Contractor does not "opt-in" for will be ineligible for steel/iron price adjustment.
- The Contractor's ability to opt-out of items containing minor amounts of steel will greatly reduce the administrative burden for both the construction industry and the inspection staff.
- The asphalt price adjustment was modified to increase the price change amount not covered by the adjustment to \$15/ton or \$15/metric ton from \$10/ton. This represents approximately 3% of the current cost of Performance Graded Binder (PGB).
- The current fuel price change amount not covered is \$0.10/gallon or \$0.03/liter, which is approximately 3% of the posted price of fuel (bulk fuel without taxes).
- These changes will significantly reduce administrative costs for both the construction industry and for Department construction inspection staff.
- The use of price adjustment clauses reduces Contractor risk due to price increases, and reduces bid prices over the construction program. The Department is the party best able to assume the risks for material price increases.

**IMPLEMENTATION:**

- Main Office Design Quality Assurance Bureau will insert the standard specification revision into contract proposals beginning with projects submitted for the letting of 09/06/12.

**TRANSMITTED MATERIALS:** This EI transmits standard specification revision *Price Adjustments*. Both Metric and U.S. Customary revisions are attached.

**BACKGROUND:** The current steel price adjustment specification creates a significant administrative burden for both the construction industry and the inspection staff. The steel price adjustment was created as a safety valve to protect against dramatic material price increases, which reduces risk and results in lower bid prices across the construction program. This revision maintains the safety valve, while reducing unnecessary administrative burden.

**CONTACT:** Direct questions regarding this issuance to Brian DeWald of the Office of Construction at (518) 457-6472 or via e-mail at BDeWald@dot.state.ny.us

Make the following changes to the Standard Specifications dated May 4, 2006.
Page 714 **Delete** Section 698 *Price Adjustments* and **Replace** it with the following:

## SECTION 698 PRICE ADJUSTMENTS

**698-1 DESCRIPTION.** This section will provide for additional compensation to the Contractor for increases, or repayment by the Contractor for decreases, in the price of asphalt, fuel, or steel/iron products.

**698-1.01 Asphalt Price Adjustment.** This item will enable the Department to make price adjustments to account for changes in asphalt prices. Price adjustments will be made for eligible work listed in the contract proposal.

**698-1.02 Fuel Price Adjustment.** This item will enable the Department to make price adjustments to account for changes in fuel prices. Price adjustments will be made for eligible work listed in the contract proposal.

**698-1.03 Steel/Iron Price Adjustment.** This item will enable the Department to make price adjustments to account for changes in steel/iron product prices for materials eligible and identified by the Contractor which will be permanently incorporated into the work.

**698-2 MATERIALS.** None specified.

**698-3 CONSTRUCTION DETAILS.** No adjustment will be provided for any new or additional work paid for by force account. Additional quantities of existing contract pay items at original bid prices will be considered eligible work. Additional work added by agreed price will be considered eligible work. Work performed by the Contractor at its own expense will not be eligible for price adjustment.

The monthly average asphalt prices, monthly average fuel prices, steel cost basis and steel index values will be posted in the Engineering Bulletin entitled *Fuel, Asphalt and Steel Price Adjustments.*

If eligible items are installed after the contract completion date, when an extension of time without the assessment of engineering charges is approved, the monthly average posted price or monthly steel index will be used to compute price adjustments.

If eligible items are installed after the contract completion date, when an extension of time was approved with the assessment of engineering charges and/or liquidated damages, the monthly average posted price or monthly steel index in effect on the last contract completion date without the assessment of engineering charges and/or liquidated damages, or the value for the month of installation/purchase, whichever is less, will be used to compute price adjustments.

**698-3.01 Asphalt Price Adjustment.** The asphalt price adjustment will be based solely on the price changes for asphalt as determined by the formulas below. No adjustment will be made if the monthly average posted price is within $15.00 of the asphalt index price. No consideration will be given to the situation where an individual supplier's price exceeds the monthly average posted price.

***A. Prices.*** The asphalt index price and the monthly average posted price are defined as follows:

***1. Asphalt Index Price.*** A price per metric ton of Performance Graded Binder (PGB) used solely as a basis from which to compute asphalt price adjustments. The asphalt index price for original contract bid price items and additional work at the original contract bid price will be the monthly average posted price for the month of the bid letting. The asphalt index price for additional work at agreed price will be the monthly average posted price for the month the agreed price was submitted to the Engineer.

**2. Monthly Average Posted Price.** The average terminal price for unmodified PG 64-22 binder, without anti-stripping agent, determined by the Department, based on prices of approved primary sources of PGB.

**B. Quantity.** The quantity of asphalt in metric tons considered for adjustment will be determined by multiplying the quantity of eligible work completed by the conversion factors listed in the Special Note entitled *Asphalt Price Adjustment.*

**C. Adjustment.** Asphalt price adjustment will be based on the following formulas:

**1. When price increases:**
Price Adjustment = (Quantity of Asphalt) x (Monthly Average Posted Price - PGB Index Price - $15.00)

**2. When price decreases:**
Price Adjustment = (Quantity of Asphalt) x (Monthly Average Posted Price - PGB Index Price + $15.00)

**698-3.02 Fuel Price Adjustment.** The fuel price adjustment will be based solely on the price changes for fuel as determined by the formulas below. No adjustment will be made if the monthly average posted price is within $0.03 per liter of the fuel index price. No consideration will be given to the situation where an individual supplier's price exceeds the monthly average posted price,

**A. Prices.** The fuel index price and the monthly average posted price are defined as follows:

**1. Fuel Index Price.** A price per liter of fuel used solely as a basis from which to compute fuel price adjustments. The fuel index price for original contract bid price items and additional work at the original contract bid price will be the monthly average posted price for the month of the bid letting. The fuel index price for additional work at agreed price will be the monthly average posted price for the month the agreed price was submitted to the Engineer.

**2. Monthly Average Posted Price.** An average refinery or terminal price based on prices for ultra low sulfur diesel (ULSD) and gasoline.

**B. Quantity.** The quantity of fuel in liters considered for adjustment will be determined by multiplying the quantity of eligible work completed by the fuel usage factor listed in the Special Note entitled *Fuel Price Adjustment.*

**C. Adjustment.** Fuel price adjustment will be based on the following formulas:

**1. When price increases:**
Price Adjustment = (Quantity of Fuel) x (Monthly Average Posted Price - Fuel Index Price - $0.03)

**2. When price decreases:**
Price Adjustment = (Quantity of Fuel) x (Monthly Average Posted Price - Fuel Index Price + $0.03)

**698-3.03 Steel/Iron Price Adjustment.** Within 30 calendar days after award, the Contractor shall provide the Engineer with a list of materials to which the Contractor opts to apply the steel price adjustment, identifying the materials by groups of similar material content within a core (3 digit) contract pay item (e.g. 564 *Structural Steel* or 603.05xxxx *Corrugated Steel Pipe*). For each material identified by the Contractor, the Contractor shall also identify the parties whose relationship establishes the invoice date. If the two parties are known, they shall be identified by name. If the two parties are not known by name, they shall be identified by role (Contractor, Subcontractor, Material Supplier, Fabricator, Manufacturer, Mill, etc.). Different parties may be identified for individual or groups of contract pay items for the purposes of establishing an invoice date. If the Contractor does not provide a list of materials to which to apply the steel price adjustment, no steel price adjustment will be made.

If the percentage change for a given month does not exceed 5% plus or minus, from the benchmark steel index, no adjustments will be made for materials invoiced that month. For lump sum or each items that are assembled from numerous components, such as overhead sign structures, the percentage change will be determined for the assembled contract pay item using the month that the largest value of materials were invoiced. For unit price items such as guiderail that are assembled from numerous components, the percentage change will be determined for a given quantity of the contract pay item using the month that the largest value of component materials for that quantity of the contract pay item were invoiced.

The weight of the steel and/or iron shall exclude minor appurtenances individually weighing less than 2 kg (i.e., nuts, bolts, washers, etc.). Precast or prestressed concrete items shall have total reinforcing steel weight listed on the approved shop drawings. The following sources shall be used, in declining order of precedence, to determine the weight of steel/iron: Department established weights of steel/iron by contract pay item per pay unit; approved shop drawings; verified shipping documents; contract documents; Standard Sheets; industry standards (i.e., AISC Manual of Steel Construction, AWWA Standards, etc.); and manufacturer's data.

***A. Indexes and Prices.*** Adjustments are based on the Producer Price Index (PPI) for *Semifinished Steel Mill Products* (WPU 101702). PPI values are published by the US Department of Labor, Bureau of Labor Statistics (BLS). Recent PPI values are posted on the Office of Construction website at www.dot.ny.gov. A complete listing of PPI values can be found on the BLS website at http://data.bls.gov/PDQ/outside.jsp?survey=wp. The Cost Basis, Benchmark Steel Index, Monthly Steel Index, and the Percentage Change are defined as follows:

***1. Cost Basis (CB).*** An average price of steel products in dollars per metric ton used solely as a cost basis from which to compute steel/iron price adjustments. The cost basis for original contract bid price items and additional work at the original contract bid price will be the cost basis listed for the month of the bid letting. The cost basis for additional work at agreed price will be the value of the cost basis for the month the agreed price was submitted to the Engineer.

***2. Benchmark Steel Index (BI).*** The benchmark steel index for original contract bid price items and additional work at the original contract bid price will be the value of the preliminary PPI for the month of the bid letting. The benchmark steel index for additional work at agreed price will be the value of the preliminary PPI for the month the agreed price was submitted to the Engineer.

***3. Monthly Steel Index (MI).*** Value of the preliminary PPI for the month the material is invoiced. If a preliminary PPI is not posted for a given month, the value will be the average of the preceding and following months that are posted.

***4. Percent Change.*** The percent change in any given month will be determined as follows:

$$Percentage\ Change = \left(\frac{MI - BI}{BI}\right) x\,100$$

***B. Quantity.*** The quantity of steel and/or iron for adjustment for each core (3-digit) contract pay item number (e.g., 564 – *Structural Steel*) will be measured to the nearest 0.1 Metric Tons.

***1. Percent Change Greater Than +5%.*** If the Percentage Change is greater than +5% from the benchmark steel index, Price Adjustments will be made for materials invoiced that month. The Contractor shall provide the Engineer a detailed list of the weight of eligible materials within 60 calendar days after installation, including: the contract pay item, the weight of steel/iron, the month(s) of invoice, the source used to determine the weight, and if requested by the Engineer, copies of invoices to verify the month of invoice.

***2. Percent Change -5% to +5%.*** If the Percentage Change is between -5% and +5%, inclusive, from the benchmark steel index, no adjustments will be made for materials invoiced that month.

***3. Percent Change Lower Than -5%.*** If the Percentage Change is lower than -5% from the benchmark steel index, a Price Adjustment will be charged to the Contractor for materials invoiced that month. The Contractor shall provide the Engineer a detailed list of the weight of eligible materials within 60 calendar days after installation, including: the contract pay item, the weight of steel/iron, the month(s) of invoice, the source used to determine the weight, and copies of invoices to verify the month of invoice.

***C. Adjustment.*** Steel/Iron price adjustment will be made for the materials which the Contractor opted to apply the steel price adjustment, based on the following formulas:

***1. When Price Increases:***

$$Price\ Adjustment = \left[\left(\frac{MI - BI}{BI}\right) - 0.05\right](CB)\,Qty$$

***2. When Price Decreases:***

$$Price\ Adjustment = -\left[\left(\frac{MI - BI}{BI}\right) + 0.05\right](CB)\,Qty$$

**698-4 METHOD OF MEASUREMENT.**

**698-4.01 Asphalt Price Adjustment.** Asphalt price adjustments will be measured on a Dollar Cents basis.

**698-4.02 Fuel Price Adjustment.** Fuel price adjustments will be measured on a Dollar Cents basis.

**698-4.03 Steel/Iron Price Adjustment.** Steel/Iron price adjustments will be measured on a Dollar Cents basis.

**698-5 BASIS OF PAYMENT.** The unit price shown in the proposal will be considered the unit price bid, although actual payment will be calculated based on changes in posted material prices. Should the amount shown be altered, the altered figures will be disregarded and the original price will be used to determine the total contract bid amount.

If price adjustments are based on estimated material quantities, and a revision to the estimated material quantity is made in a subsequent or final estimate, an appropriate addition or deduction will be made to the price adjustment previously calculated. The addition or deduction will be based on the adjustment factors initially used to calculate the price adjustment. If the installation dates of the revised material quantity cannot be determined, the addition or deduction will be based on the adjustment factors in effect during the last month in which any portion of the material quantity was installed.

**698-5.01 Asphalt Price Adjustment.** The asphalt price adjustment will be based on the monthly average posted price in effect at the time the work is completed, calculated using the price adjustment formula described above.

**698-5.02 Fuel Price Adjustment.** The fuel price adjustment will be based on the monthly average posted price in effect at the time the work is completed, calculated using the price adjustment formula described above.

**698-5.03 Steel/Iron Price Adjustment.** The steel/iron price adjustment will be based on the monthly steel index in effect at the time of invoice between the two parties previously identified by the Contractor, calculated using the price adjustment formula described above.

***Payment will be made under:***

| Item No. | Item | Pay Unit |
|---|---|---|
| 698.04 | Asphalt Price Adjustment | Dollars Cents |
| 698.05 | Fuel Price Adjustment | Dollars Cents |
| 698.06 | Steel/Iron Price Adjustment | Dollars Cents |

Make the following changes to the Standard Specifications dated May 1, 2008.
Page 749 **Delete** Section 698 *Price Adjustments* and **Replace** it with the following:

## SECTION 698 PRICE ADJUSTMENTS

**698-1 DESCRIPTION.** This section will provide for additional compensation to the Contractor for increases, or repayment by the Contractor for decreases, in the price of asphalt, fuel, or steel/iron products.

**698-1.01 Asphalt Price Adjustment.** This item will enable the Department to make price adjustments to account for changes in asphalt prices. Price adjustments will be made for eligible work listed in the contract proposal.

**698-1.02 Fuel Price Adjustment.** This item will enable the Department to make price adjustments to account for changes in fuel prices. Price adjustments will be made for eligible work listed in the contract proposal.

**698-1.03 Steel/Iron Price Adjustment.** This item will enable the Department to make price adjustments to account for changes in steel/iron product prices for materials eligible and identified by the Contractor which will be permanently incorporated into the work.

**698-2 MATERIALS.** None specified.

**698-3 CONSTRUCTION DETAILS.** No adjustment will be provided for any new or additional work paid for by force account. Additional quantities of existing contract pay items at original bid prices will be considered eligible work. Additional work added by agreed price will be considered eligible work. Work performed by the Contractor at its own expense will not be eligible for price adjustment.

The monthly average asphalt prices, monthly average fuel prices, steel cost basis and steel index values will be posted in the Engineering Bulletin entitled *Fuel, Asphalt and Steel Price Adjustments.*

If eligible items are installed after the contract completion date, when an extension of time without the assessment of engineering charges and/or liquidated damages is approved, the monthly average posted price or monthly steel index value will be used to compute price adjustments.

If eligible items are installed after the contract completion date, when an extension of time was approved with the assessment of engineering charges and/or liquidated damages, the monthly average posted price or monthly steel index in effect on the last contract completion date without the assessment of engineering charges and/or liquidated damages, or the value for the month of installation/purchase, whichever is less, will be used to compute price adjustments.

**698-3.01 Asphalt Price Adjustment.** The asphalt price adjustment will be based solely on the price changes for asphalt as determined by the formulas below. No adjustment will be made if the monthly average posted price is within $15.00 of the asphalt index price. No consideration will be given to the situation where an individual supplier's price exceeds the monthly average posted price.

***A. Prices.*** The asphalt index price and the monthly average posted price are defined as follows:

***1. Asphalt Index Price.*** The asphalt index price is a price per ton of Performance Graded Binder (PGB) used solely as a basis from which to compute asphalt price adjustments. The asphalt index price for original contract bid price items and additional work at the original contract bid price will be the monthly average posted price for the month of the bid letting. The asphalt index price for additional work at agreed price will be the monthly average posted price for the month the agreed price was submitted to the Engineer.

2. ***Monthly Average Posted Price.*** The average terminal price for unmodified PG 64-22 binder, without anti-stripping agent, determined by the Department, based on prices of approved primary sources of PGB.

B. ***Quantity.*** The quantity of asphalt in tons considered for adjustment will be determined by multiplying the quantity of eligible work completed by the conversion factors listed in the Special Note entitled *Asphalt Price Adjustment*.

C. ***Adjustment.*** Asphalt price adjustment will be based on the following formulas:

1. ***When price increases:*** Price Adjustment = (Quantity of Asphalt) x (Monthly Average Posted Price - PGB Index Price - $15.00)

2. ***When price decreases:*** Price Adjustment = (Quantity of Asphalt) x (Monthly Average Posted Price - PGB Index Price + $15.00)

**698-3.02 Fuel Price Adjustment.** The fuel price adjustment will be based solely on the price changes for fuel as determined by the formulas below. No adjustment will be made if the monthly average posted price is within $0.10 per gallon of the fuel index price. No consideration will be given to the situation where an individual supplier's price exceeds the monthly average posted price,

A. ***Prices.*** The fuel index price and the monthly average posted price are defined as follows:

1. ***Fuel Index Price.*** A price per gallon of fuel used solely as a basis from which to compute fuel price adjustments. The fuel index price for original contract bid price items and additional work at the original contract bid price will be the monthly average posted price for the month of the bid letting. The fuel index price for additional work at agreed price will be the monthly average posted price for the month the agreed price was submitted to the Engineer.

2. ***Monthly Average Posted Price.*** An average refinery or terminal price based on prices for ultra low sulfur diesel (ULSD) and gasoline.

B. ***Quantity.*** The quantity of fuel in gallons considered for adjustment will be determined by multiplying the quantity of eligible work completed by the fuel usage factor listed in the Special Note entitled *Fuel Price Adjustment*.

C. ***Adjustment.*** Fuel price adjustment will be based on the following formulas:

1. ***When price increases:*** Price Adjustment = (Quantity of Fuel) x (Monthly Average Posted Price - Fuel Index Price - $0.10)

2. ***When price decreases:*** Price Adjustment = (Quantity of Fuel) x (Monthly Average Posted Price - Fuel Index Price + $0.10)

**698-3.03 Steel/Iron Price Adjustment.** Within 30 calendar days after award, the Contractor shall provide the Engineer with a list of materials to which the Contractor opts to apply the steel price adjustment, identifying the materials by groups of similar material content within a core (3 digit) contract pay item (e.g. 564 *Structural Steel* or 603.05xxxx *Corrugated Steel Pipe*). For each material listed, the Contractor shall also identify the parties whose relationship establishes the invoice date. If the two parties are known, they shall be identified by name. If the two parties are not known, they shall be identified by role (Contractor, Subcontractor, Material Supplier, Fabricator, Manufacturer, Mill, etc.). Different parties may be identified for individual or groups of contract pay items for the purposes of establishing an invoice date. If the Contractor does not provide a list of materials to which to apply the steel price adjustment, no steel price adjustment will be made.

If the percentage change for a given month does not exceed 5% plus or minus, from the benchmark steel index, no adjustments will be made for materials invoiced that month. For lump sum or each items that are assembled from numerous components, such as overhead sign structures, the percentage change will be determined for the assembled contract pay item using the month that the largest value of materials were invoiced. For unit price items such as guiderail that are assembled from numerous components, the percentage change will be determined for a given quantity of the contract pay item using the month that the largest value of component materials for that quantity of the contract pay item were invoiced.

The weight of the steel and/or iron shall exclude minor appurtenances individually weighing less than 5 lbs (i.e., nuts, bolts, washers, etc.). Precast or prestressed concrete items shall have total reinforcing steel weight listed on the approved shop drawings. The following sources shall be used, in declining order of precedence, to determine the weight of steel/iron: Department established weights of steel/iron by contract pay item per pay unit; approved shop drawings; verified shipping documents; contract documents; Standard Sheets; industry standards (i.e., AISC Manual of Steel Construction, AWWA Standards, etc.); and manufacturer's data.

***A. Indexes and Prices.*** Adjustments are based on the Producer Price Index (PPI) for *Semifinished Steel Mill Products* (WPU 101702). PPI values are published by the US Department of Labor, Bureau of Labor Statistics (BLS). Recent PPI values are posted on the Office of Construction website at www.dot.ny.gov. A complete listing of PPI values can be found on the BLS website at http://data.bls.gov/PDQ/outside.jsp?survey=wp. The Cost Basis, Benchmark Steel Index, Monthly Steel Index, and the Percentage Change are defined as follows:

***1. Cost Basis (CB).*** An average price of steel products in dollars per ton used solely as a cost basis from which to compute steel/iron price adjustments. The cost basis for original contract bid price items and additional work at the original contract bid price will be the cost basis listed for the month of the bid letting. The cost basis for additional work at agreed price will be the value of the cost basis for the month the agreed price was submitted to the Engineer.

***2. Benchmark Steel Index (BI).*** The benchmark steel index for original contract bid price items and additional work at the original contract bid price will be the value of the preliminary PPI for the month of the bid letting. The benchmark steel index for additional work at agreed price will be the value of the preliminary PPI for the month the agreed price was submitted to the Engineer.

***3. Monthly Steel Index (MI).*** Value of the preliminary PPI for the month the material is invoiced. If a preliminary PPI is not posted for a given month, the value will be the average of the preceding and following months that are posted.

***4. Percent Change.*** The percent change in any given month will be determined as follows:

$$Percentage\ Change = \left(\frac{MI - BI}{BI}\right) x\,100$$

***B. Quantity.*** The quantity of steel and/or iron for adjustment for each core (3-digit) contract pay item number (e.g., 564 – *Structural Steel*) will be measured to the nearest 0.1 Tons.

1. ***Percent Change Greater Than +5%.*** If the Percentage Change is greater than +5% from the benchmark steel index, Price Adjustments will be made for materials invoiced that month. The Contractor shall provide the Engineer a detailed list of the weight of eligible materials within 60 calendar days after installation, including: the contract pay item, the weight of steel/iron, the month(s) of invoice, the source used to determine the weight, and if requested by the Engineer, copies of invoices to verify the month of invoice.

2. ***Percent Change -5% to +5%.*** If the Percentage Change is between -5% and +5%, inclusive, from the benchmark steel index, no adjustments will be made for materials invoiced that month.

3. ***Percent Change Lower Than -5%.*** If the Percentage Change is lower than -5% from the benchmark steel index, a Price Adjustment will be charged to the Contractor for materials invoiced that month. The Contractor shall provide the Engineer a detailed list of the weight of eligible materials within 60 calendar days after installation, including: the contract pay item, the weight of steel/iron, the month(s) of invoice, the source used to determine the weight, and copies of invoices to verify the month of invoice.

***C. Adjustment.*** Steel/Iron price adjustment will be made for the materials which the Contractor opted to apply the steel price adjustment, based on the following formulas:

1. When price increases:

$$Price\ Adjustment = \left[\left(\frac{MI - BI}{BI}\right) - 0.05\right](CB)\,Qty$$

2. When price decreases:

$$Price\ Adjustment = -\left[\left(\frac{MI - BI}{BI}\right) + 0.05\right](CB)\,Qty$$

**698-4 METHOD OF MEASUREMENT. 698-4.01 Asphalt Price Adjustment.** Asphalt price adjustments will be measured on a Dollar Cents basis.

**698-4.02 Fuel Price Adjustment.** Fuel price adjustments will be measured on a Dollar Cents basis.

**698-4.03 Steel/Iron Price Adjustment.** Steel/Iron price adjustments will be measured on a Dollar Cents basis.

**698-5 BASIS OF PAYMENT.** The unit price shown in the itemized proposal will be considered the unit price bid, although actual payment will be calculated based on changes in posted material prices. Should the amount shown be altered, the altered figures will be disregarded and the original price will be used to determine the total contract bid amount.

If price adjustments are based on estimated material quantities, and a revision to the estimated material quantity is made in a subsequent or final estimate, an appropriate addition or deduction will be made to the price adjustment previously calculated. The addition or deduction will be based on the adjustment factors initially used to calculate the price adjustment. If the installation dates of the revised material quantity cannot be determined, the addition or deduction will be based on the adjustment factors in effect during the last month in which any portion of the material quantity was installed.

**698-5.01 Asphalt Price Adjustment.** The asphalt price adjustment will be based on the monthly average posted price in effect at the time the work is completed, calculated using the price adjustment formula described above.

**698-5.02 Fuel Price Adjustment.** The fuel price adjustment will be based on the monthly average posted price in effect at the time the work is completed, calculated using the price adjustment formula described above.

**698-5.03 Steel/Iron Price Adjustment.** The steel/iron price adjustment will be based on the monthly steel index in effect at the time of invoice between the two parties previously identified by the Contractor, calculated using the price adjustment formula described above.

***Payment will be made under:***

| Item No. | Item | Pay Unit |
|---|---|---|
| 698.04 | Asphalt Price Adjustment | Dollars Cents |
| 698.05 | Fuel Price Adjustment | Dollars Cents |
| 698.06 | Steel/Iron Price Adjustment | Dollars Cents |