



To: SUPERSEDED BY <u>ET 05-020</u> EFFECTIVE 09/08/05		New York State Department of Transportation ENGINEERING DIRECTIVE	ED 04-001
Title: STEEL/IRON PRICE ADJUSTMENTS - SPECIAL NOTE			
Distribution: <input checked="" type="checkbox"/> Manufacturers (18) <input type="checkbox"/> Surveyors (33) <input checked="" type="checkbox"/> Local Govt. (31) <input checked="" type="checkbox"/> Consultants (34) <input checked="" type="checkbox"/> Agencies (32) <input checked="" type="checkbox"/> Contractors (39) <input type="checkbox"/> _____ ()		Approved:  Paul T. Wells, Assistant Commissioner and Chief Engineer Date: <u>3/22/04</u>	

NOTICE: This Engineering Directive contains definitive material that is deemed critical to the continuation of essential engineering activities!

ADMINISTRATIVE INFORMATION:

- This Engineering Directive (ED) is effective beginning with projects scheduled for the letting of 4/15/04. This ED will expire on March 22, 2005.
- This ED does not supersede any other issuances.

PURPOSE: To issue steel/iron price adjustment special note.

TECHNICAL INFORMATION:

- MO DQAB will insert the revised specifications by amendment, if necessary, beginning with projects scheduled for the letting of 4/15/04.
- Revised Standard Specification Section 698 *Price Adjustments* is being issued concurrently by ED 04-002.
- Indexes will be periodically distributed by the Department via official issuance.
- This change may have significant cost impacts to Regional programs.

TRANSMITTED MATERIALS:

Attached is the shelf note 02870 *Steel/Iron Price Adjustments*.

BACKGROUND: Prices of steel and iron products are rapidly escalating. Manufacturers and suppliers have started to reduce the amount of time over which they will honor quoted prices from an average of some months to as little as 15 or 30 days. In order to allow Contractors to place orders earlier and lock in prices, the partial payment provisions have been amended. Additionally, the Department has created a Steel/Iron Price Adjustment to reduce some of the risk assumed by Contractors.

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

**SPECIAL NOTE
STEEL/IRON PRICE ADJUSTMENT**

The following items/materials permanently incorporated into the work are eligible for steel and iron price adjustment:

- Structural Steel
- Reinforcing Steel (in superstructures or substructures)
- Shear Studs
- Open Steel Bridge Floor
- Tension Strands
- Dowel Bars
- Load Transfer Devices
- Steel in Precast or Prestressed Concrete Items, Including:
 - Drainage Structures and Manholes
 - Box Culverts
 - Prefabricated Bridge and Wall Elements
 - Concrete Barrier
- Bridge, Culvert and Guide Railing
- Sheet Piling and Cofferdams
- Piling
- Utility Frames, Grates & Covers
- Overhead Sign Structures
- Ductile Iron Water Main and Ductile Iron Appurtenances
- Steel Water Main
- Poles (Signal, Power, etc)

Steel and iron price adjustments will be calculated in accordance with Section 698 *Price Adjustments*. Eligible materials include major components of items for which the weight of the steel and/or iron can be simply determined from manufacturer's/supplier's data or shipping weights, and exclude minor appurtenances individually weighing less than 2 kg (i.e. nuts, bolts, washers, etc.). Eligible precast or prestressed concrete items shall have total reinforcing steel weight listed on the approved shop drawings.

The Engineer will determine the mass of eligible materials from the following sources, in declining order of precedence; approved shop drawings, contract documents, industry standards (i.e. Steel Manual, AWWA Standards, etc.) and manufacturer's data.

Steel Price Adjustment Cost Basis = \$ / Metric Ton