
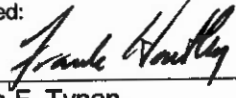


To: SUPERSEDED BY EB 06-057 EFFECTIVE 5/3/07		<i>New York State</i> <i>Department of</i> <i>Transportation</i> ENGINEERING BULLETIN	EB 05-039
<small>Expires one year after issue unless replaced sooner</small>			
Title: CORRECTION TO EI 05-020 - SECTION 698 PRICE ADJUSTMENTS			
Distribution: <input checked="" type="checkbox"/> Manufacturers (18) <input checked="" type="checkbox"/> Local Govt. (31) <input checked="" type="checkbox"/> Agencies (32)	<input type="checkbox"/> Surveyors (33) <input checked="" type="checkbox"/> Consultants (34) <input checked="" type="checkbox"/> Contractors (39) <input type="checkbox"/> _____ ()	Approved:  James F. Tynan, Director, Construction Division	8/4/05 Date

ADMINISTRATIVE INFORMATION:

- This Engineering Bulletin (EB) is effective upon signature.
- This EB does not supersede any other issuances, it modifies EI 05-020.

PURPOSE: The purpose of this EB is to make a correction to Standard Specification Section 698 as issued by EI 05-020.

TECHNICAL INFORMATION:

- The Background of the EI correctly refers to the not-seasonally adjusted producer price index (PPI) WPU 101702 *Semifinished Steel Mill Products*; however the definitions in the specification refer to an incorrect PPI, seasonally adjusted WPS 101702.
- On page 4 of 5 of the attachment to EI 05-020, paragraphs B.2. and B.3., the PPI index to WPU 101702 *Semifinished Steel Mill Products* is hereby corrected.

TRANSMITTED MATERIALS:

This EB transmits a replacement page for page 4 of 5 of Section 698 as issued by EI 05-020.

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.

SECTION 698 - PRICE ADJUSTMENTS

2. *Benchmark Steel Index (BI)*. Value of the PPI for *Semifinished Steel Mill Products* (WPU 101702) for the month of contract bid letting. The benchmark steel index for additional work at the original contract bid price will be the value of the PPI for the month of the bid letting. The benchmark steel index for additional work at agreed price will be the value of the PPI for the month the agreed price was submitted to the Engineer.

3. *Monthly Steel Index (MI)*. Value of the PPI for *Semifinished Steel Mill Products* (WPU 101702) for the month the material is invoiced.

4. *Cost Basis (CB)*. Cost Basis defined in dollars per metric ton listed in the monthly Engineering Bulletin *Fuel, Asphalt and Steel Price Adjustments* for the month of bid letting. The cost basis for 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.

C. Adjustment. Steel/Iron price adjustment will be based on the following formulas:

1. The percent change in any given month will be determined as follows:

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

2. When price increases:

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

3. When price decreases:

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

698-4 METHOD OF MEASUREMENT. 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.

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. Price adjustments will be based on the computations described above. Adjustments, either positive or negative, will be made when the accumulated amount for a price adjustment contract pay item exceeds \$5,000, or at such additional times as the Engineer deems appropriate. Adjustments not meeting this criteria will be made in the final contract payment.