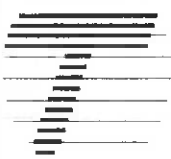
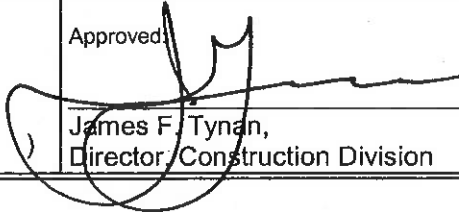


To: SUPERSEDED BY EB 11-010 EFFECTIVE 9/1/11		New York State Department of Transportation ENGINEERING INSTRUCTION	EI 07-024
Title: DESIGN GUIDANCE - SECTION 697 FIELD CHANGE PAYMENT AND SECTION 698 PRICE ADJUSTMENTS			
Distribution: ☐ Manufacturers (18) ☒ Local Govt. (31) ☒ Agencies (32)		☐ Surveyors (33) ☒ Consultants (34) ☒ Contractors (39) ☐ _____ ()	
Approved:  James F. Tynan, Director, Construction Division		6-29-07 Date	

ADMINISTRATIVE INFORMATION:

- This Engineering Instruction (EI) is effective beginning with projects submitted for the letting of 1/10/08.
- This EI does not supersede any other issuance.
- The design guidance issued with this EI will be incorporated into a future revision to Chapter 21 of the Highway Design Manual.

PURPOSE: The purpose of this EI is to issue design guidance for Section 697 *Field Change Payment* and Section 698 *Price Adjustments*.

TECHNICAL INFORMATION:

- Revised Shelf Notes which list contract pay items eligible for asphalt and fuel adjustments are being issued concurrently via EB 07-019 *Asphalt And Fuel Price Adjustment Conversion Factors*.
- Designers may begin using the revised design guidance immediately.
- The guidance in § 21.3.9.4, §21.3.9.5 and Table 21-1 of the Highway Design Manual is replaced with the following:

SECTION 697 – FIELD CHANGE PAYMENT

A. Applicability

Contract Pay Item 697.03 *Field Change Payment* shall be specified consistent with the applicability criteria provided in Table 1.

Table 1 Applicability Criteria

Applicability Criteria	Include / Do not Include
Projects for which there is little or no opportunity for use Regardless of cost (e.g., single-payment contracts; response contracts, including standby and where and when contracts; force account based contracts; lump sum only contracts, including bridge washing; etc.) and projects with an Engineer's Estimate less than \$100,000.	Do not Include
All projects with an Engineer's Estimate greater than, or equal to \$100,000, except as listed above.	Include

B. Engineer's Estimate

The quantity for this item shall be determined as a function of the Engineer's Estimate (EE) as shown in Table 2. The quantity should then be distributed as appropriate over all the engineering shares proportionally based on the cost of each share, i.e. $[\text{FCP Cost} \times (\text{Engineering Share Cost} / \text{EE Eligible Items})]$. Any engineering share value of less than \$20,000 need not include the FCP item. The Field Change Payment has a Dollars-cents pay unit, where the number of dollars is entered as the quantity, and the price is fixed as \$1.00.

Table 2 Estimating Item 697.03 Field Change Payment

*Engineer's Estimate (EE Eligible Items)	Item 697.03 Quantity (FCP Cost)	Quantity Rounding	Price (Fixed)
\$0.1 M to \$5.0 M	$0.05 \times \text{EE}$	Nearest 1,000	\$1.00
\$5.0 M to \$10.0 M	$250,000 + 0.04 \times (\text{EE} - 5.0 \text{ M})$	Nearest 10,000	\$1.00
\$10.0 M to \$25.0 M	$450,000 + 0.03 \times (\text{EE} - 10.0 \text{ M})$	Nearest 10,000	\$1.00
\$25.0 M to \$155.0 M	$900,000 + 0.02 \times (\text{EE} - 25.0 \text{ M})$	Nearest 10,000	\$1.00
\$155.0 M and Above	3,500,000	None	\$1.00

* Items to be excluded from the FCP calculation: Mobilization and Time Related Contract Provisions (e.g., incentive/disincentive, lane rental or similar items).

SECTION 698 - PRICE ADJUSTMENTS

The price adjustment items should normally be placed in the largest engineering share. Adjustment items should not normally be placed in the shares of municipalities or utilities, unless the share is very large, and contains significant adjustment eligible work. Separate shares that require the Department to seek additional funds from outside entities, which is resource intensive, time consuming, and may cause potentially compensable delays to the contract, should only be contemplated if the potential amount of funds warrants the significant additional effort.

1. Asphalt Price Adjustment. The Asphalt Price Adjustment pay item should typically be added to the Engineer's Estimate for all projects. The pay item may be omitted from projects that do not have any items containing asphalt, including pavement marking, landscaping, and ditch cleaning projects. When in question, include the item. The item has a Dollars-cents pay unit, where the number of dollars is entered as the quantity, and the unit price is fixed as \$1.00. Because no accurate estimate of future prices can be made, the item should be entered at a nominal quantity of 100. The actual quantity and payment(s) will be determined during construction. If the item is not used, it can easily be deleted.

2. Fuel Price Adjustment. The Fuel Price Adjustment pay item should typically be added to the Engineer's Estimate for all projects. The pay item may be omitted from projects that do not have any eligible items, including pavement marking, bridge washing, and ditch cleaning projects. When in question, include the item. The item has a Dollars-cents pay unit, where the number of dollars is entered as the quantity, and the unit price is fixed as \$1.00. Because no accurate estimate of future prices can be made, the item should be entered at a nominal quantity of 100. The actual quantity and payment(s) will be determined during construction. If the item is not used, it can easily be deleted.

3. Steel Price Adjustment. The Steel Price Adjustment pay item should be added to all projects that have significant quantities of work that contain steel. Steel containing items include, but are not limited to structural steel, reinforced concrete bridge decks, drainage structures, guide rail, signs, sign structures, drainage castings, water main and appurtenances, and electrical or signal conduit. The pay item may be omitted from projects that do not have any items containing steel, including pavement overlays, pavement marking, maintenance and ditch cleaning projects. When in question, include the item. The item has a Dollars-cents pay unit, where the number of dollars is entered as the quantity, and the unit price is fixed as \$1.00. Because no accurate estimate of future prices can be made, the item should be entered at a nominal quantity of 100. The actual quantity and payment(s) will be determined during construction.

TRANSMITTED MATERIALS:

None.

BACKGROUND:

Contractors have become accustomed to bidding Department projects based on reduced risk provided by price adjustment clauses. Price adjustment items are considered bid conditions, and unlike work items, cannot be added by order-on-contract after bid letting/contract award. When price adjustment items are not included in a project estimate, some contractors and Regional personnel have mistakenly assumed that the items would be added by order-on-contract. As this flaw in contract documents cannot be corrected after bid letting/contract award, the preferred solution is to add the item to all contracts, and delete the item after construction, if it is not used.

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