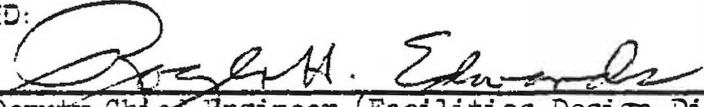


MODIFIED BY EI 82-064 EFFECTIVE 12/9/82 Director, Preliminary Plan Review Bureau		ENGINEERING INSTRUCTION NEW YORK STATE DEPARTMENT OF TRANSPORTATION	
PREL. DESIGN LANDSCAPE RECEIVED FACILITIES DESIGN DIVISION 7 1981	FINAL LANDSCAPE RECEIVED FACILITIES DESIGN DIVISION 7 1981	FINAL LANDSCAPE RECEIVED FACILITIES DESIGN DIVISION 7 1981	SUBJECT: ASPHALT PRICE ADJUSTMENT SPECIAL SPECIFICATION Subject Code: 7.27-1-699
Distribution: <input type="checkbox"/> Main Office <input checked="" type="checkbox"/> Regions <input checked="" type="checkbox"/> Special		Code: <u>E.I. 80-45</u> Date: <u>12/12/80</u> Supersedes:	
APPROVED:  Deputy Chief Engineer (Facilities Design Division)			

An Asphalt Price Adjustment clause has been included in many Department contracts since July, 1979. In order to provide payment under that clause, it has been necessary for EIC's to establish funding through orders-on-contract (see EI 80-24) for each season. The attached Special Note and Specification, Item 15699.0011, will replace the asphalt price adjustment note on future contracts and provide Asphalt Price Adjustment without need for orders-on-contract.

This Instruction is directed to designers and will indicate when to use the Asphalt Price Adjustment Item, how to establish the Asphalt Price Adjustment for the Engineer's Estimate, how to distribute it over the various Engineering shares, and what to submit with the PS&E. EIC's should continue to use the instructions contained in EI 80-24 for payment.

To determine when to use the item, compute the total amount of all asphalt concrete items, equivalent tonnage of bituminous stabilized courses, and optional shoulders. For this purpose, one cubic yard of bituminous stabilized course will be equivalent to one ton of asphalt concrete and one square yard of optional shoulder will be equivalent to 0.17 tons of asphalt concrete. If this total is 2,000 equivalent tons or more of asphalt concrete, the item should be included in the Engineer's Estimate.

To establish the Engineer's Estimate price, which will be a fixed (published) lump sum amount, compute the total project asphalt cement using the quantities of eligible items and their conversion factors shown in the NOTE. Next, multiply that amount by \$25 per ton of asphalt cement and by the contract duration in years and fractions thereof. Round this to the nearest \$1,000. A summary of this calculation should be included in the Report on Design and Estimate as part of the Analysis of Lump Sum Prices. To distribute this lump sum amount over the various engineering shares of multishare contracts, determine each share's asphalt cement tonnage, again using the quantities of eligible items and their conversion factors and convert these figures to percentages of total project tonnage. These percentages shall be indicated in the Engineer's Estimate.

Project designers will be responsible for making these calculations and for inserting the item and price in the Engineer's Estimate where warranted for all PS&E's submitted to the Final Plan Review Bureau on and after January 29, 1981. Whenever the item is included in the Estimate, the Final Plan Review Bureau will determine the Index Price based on data received from the Office of Engineering and insert the Specification and Note into the Proposal.

ITEM 15699.0011 -- ASPHALT PRICE ADJUSTMENT

DESCRIPTION

This item will provide for additional compensation to, or repayment by, the Contractor for increases or decreases in the price of asphalt throughout the life of the Contract. This adjustment will be computed within the prescribed conditions and in conformance with the written procedures of the Department.

A. Eligible Items

Asphalt price adjustments will be determined for eligible items listed elsewhere in this proposal. No adjustment will be provided for any new items incorporated into the work by orders-on-contract or those items paid for under force account or agreed unit prices. In addition, work ordered by the Engineer and performed by the Contractor at his own expense will not be eligible for asphalt price adjustment.

B. Method of Computation

The asphalt price adjustment shall be determined in accordance with the following prescribed conditions and methods of computation:

1. The Quantity of Asphalt (tons) considered for the price adjustment will be determined by multiplying the quantity of eligible items placed by their Conversion Factor (see asphalt price adjustment in the special note section).
2. The asphalt price adjustment will then be determined by multiplying total number of tons of asphalt, as computed above, using the formulas below.
3. Asphalt Price adjustment will be based on the following;

a. When price increases:

$$\text{Price Adjustment} = \text{Quantity of Asphalt} \times \left[\frac{\text{Average Posted Price} - (\text{Index Price} + \$5.00)}{\text{Average Posted Price}} \right]$$

b. When price decreases:

$$\text{Price Adjustment} = \text{Quantity of Asphalt} \times \left[\frac{\text{Average Posted Price} - (\text{Index Price} - \$5.00)}{\text{Average Posted Price}} \right]$$

The Index Price and the Average Posted Price are defined as follows:

Index Price. A fixed price per ton of asphalt.

This price is used solely as a base from which to compute price adjustments. Its dollar amount is specified in the asphalt price adjustment note.

Average Posted Price. The average FOB terminal price for AC-20 asphalt cement or approved equal, without anti-striping agent, at the following eleven locations as determined by the Department on a regular basis throughout the life of the contract:

ARCO - Three Rivers and Albany, NY and Philadelphia, PA
ASHLAND - Tonawanda, NY
CHEVRON - Troy and Lyons, NY and Perth Amboy, NJ
MARATHON - Tonawanda, NY
EXXON - Bayonne and Linden, NJ and Three Rivers, NY

All discounts or allowances that reduce the asphalt price at the terminal will be deducted prior to calculating the Average Posted Price.

The asphalt price adjustment will be based solely on the price changes for asphalt as determined by the above formulas. No consideration will be given to the situation where an individual supplier's price exceeds the Average Posted Price, nor shall any adjustment be made unless the average posted price is either \$5.00 greater than or less than the Index Price.

MATERIALS. None specified.

CONSTRUCTION DETAILS. None specified.

METHOD OF MEASUREMENT.

The lump sum shown in the proposal for this item shall be considered the price bid, although actual payment will be based on the work performed. The lump sum is not to be altered in any manner by the bidder. Should the amount shown be altered, the new figure will be disregarded and the original price used to determine the total amount bid for the Contract.

BASIS OF PAYMENT.

The actual asphalt price adjustment payments will be based on the methods of computation previously described in this specification.

The adjustment will be paid in, or deducted from, the progress estimates based on the quantities of eligible items placed during the estimate period. For the purpose of determining asphalt price adjustment, the Average Posted Price will be updated on the twentieth of March, April, May, June, July, August, and September and will apply to eligible work performed on and after the first of the following month.

If eligible asphalt calculated for an item is based on estimated quantities for that item, and an adjustment to the total item quantity is made in a subsequent or final estimate, an appropriate addition or deduction shall be made to the asphalt adjustment previously paid. The addition or deduction shall be based on the same Average Posted Price as was used to calculate the estimated item quantity which is being revised. If the placement dates of the adjustment quantity cannot be determined, the addition or deduction shall be based on the Average Posted Price in effect during the last month in which any portion of the estimated item quantity was placed.

If eligible items are placed after the scheduled Contract completion date specified in this proposal and during which time there are assessed engineering charges and/or liquidated damages, the Average Posted Price used to compute the asphalt adjustment shall not exceed, but may be less than, the Average Posted Price in effect on the original scheduled Contract completion date. If the Contract completion date is extended without the assessment of engineering charges, asphalt price adjustments for items incorporated during such extension shall be based on the appropriate updated Average Posted Price.

No payment shall be made or deducted unless the average posted price is either \$5.00 greater or less, respectively, than the Index Price.

ASPHALT PRICE ADJUSTMENT

The Index Price which shall apply to this contract shall be \$ _____ per ton of asphalt.

The table below lists eligible items used in computing the Asphalt Price Adjustment. Those items that are modified by prefixes and/or suffixes shall also be eligible for asphalt price adjustment if their pay units are identical to the unmodified items.

ITEMS ELIGIBLE FOR ASPHALT PRICE ADJUSTMENT

<u>Item Number</u>	<u>Conversion Factor</u>
302.01	0.065 Ton Asphalt/C.Y.
15302.02	0.01 Ton Asphalt/S.Y.
402.03 and .04	7.1%
403.11	5.0%
403.12	3.5%
403.13	5.5%
403.15	8.25%
403.16 and .17	6.4%
403.18 and .19	7.0%
403.20	6.25%

403.21	*
407.01	**
608.02	*

<u>Item Number</u>	<u>Conversion Factor</u>
618.3001	0.0024 Tons/Gal.
618.3101	0.0028
618.3201, .3301	0.0031
618.3401	0.0028
618.3501, .3601	0.0024
618.4001	0.0026
618.4101	0.0028
618.4201, .4301	0.0032
618.4401, .4501	0.0024

* For these items the conversion factor will be the same as that listed for the 403 material that is actually incorporated in the work.

** For this item the conversion factor will be 50% of the factor for the 618 material incorporated in the work.

The conversion factor for asphalt concrete items mixed with slag shall be increased by one quarter.