

ASPHALT PRICE ADJUSTMENT

This specification contains price adjustment provisions for asphalt cement used in asphalt concrete mixtures produced under Section 303 - Plant Mixed Base Course, Section 406 - Bituminous Concrete Pavement, Section 409 - Open Graded Asphalt Friction Course, and 490 - Superpave Bituminous Concrete Pavement.

The procedures will be as follows:

1. This specification shall take effect for a bi-monthly period only when there is a change in the Average Posted Price, of greater than 10.00% from the Index Price as found in the proposal. Only the percent change beyond 10.00% will be applicable for adjusted payment purposes.

2. The percent change will be computed as follows:

$$\text{Percent change} = \frac{|\text{Average Posted Price} - \text{Index Price}|}{\text{Index Price}} \times 100\%$$

The percent change equals the absolute value of the difference between the Average Posted Price minus the Index Price, divided by the Index Price, multiplied by 100%. This percentage shall be used to determine whether a Price Adjustment should be processed under part 6.

3. Prior to advertising for bids, an Index Price for a ton of asphalt cement will be established monthly by the Agency equal to the average of posted prices from three or more major oil company terminals capable of supplying Vermont. This price will be included in the proposal in the project Special Provisions and will be the base from which price adjustments are computed.
4. A bi-monthly Average Posted Price per ton will be calculated by the Agency for each of the following periods: April-May, June-July, August-September, and October-November. This will be done by averaging the posted prices at the beginning, midpoint, and end of each period (first of each month and last day of second month). The posted prices used, are obtained from the same terminals used to compute the Index Price.
5. The Quantity of Asphalt cement to be used for computing the Price Adjustment for each period will be determined by using the cumulative actual binder content for each applicable item as reported on the batch ticket, excluding any percent of asphalt from Recycled Asphalt Pavement (RAP).

For drum plants the Quantity of Asphalt shall be based upon the tons of mix placed multiplied by the actual binder content reported on the demand tickets, as verified by Agency personnel. In the event of multiple binder contents, the accepted quantity of mix at each binder content shall be determined, and the total Quantity of Asphalt used shall be calculated accordingly. The accumulated asphalt total on the plant automation may be checked and verified by Agency personnel for each mix.

6. The Price Adjustment to be paid will be computed as follows:

$$\text{Price Adjustment} = \left[\frac{|\text{Average Posted Price} - \text{Index Price}|}{\text{Index Price}} - .10 \right] \text{ multiplied by}$$

$$[\text{Quantity of Asphalt} \times (\text{Average Posted Price} - \text{Index Price})]$$

Note: The Price Adjustment may be either positive or negative.

7. Payment will be as follows:

The work performed under Section 303, 406, 409, and 490 will be paid for at the Contract unit prices bid following established Agency practices.

Upon the Agency's establishment of the bi-monthly Average Posted Price, the Engineer will compute the Price Adjustment for all accepted work in that period and enter it for payment on the next bi-weekly estimate.

Payments for Price Adjustment, Asphalt Cement shall be debited or credited against the Contract price (Lump Unit) bid for Price Adjustment, Asphalt Cement.

Any increase in the total Contract amount from Asphalt Price Adjustment will not be justification for an extension of time under Subsection 108.11 subpart (f) of the Standard Specifications for Construction.

Payment will be made under:

<u>Pay Item</u>	<u>Pay Unit</u>
406.50 Price Adjustment, Asphalt Cement	LUMP UNIT