

March 3, 2004

**MEMORANDUM  
04-02**

TO: District Directors  
District Construction Engineers  
Toll Road Operations Engineer  
District Material & Tests Engineers  
District Area Engineers  
Project Engineers/Supervisors

FROM: Dennis A. Kuchler, Chief  
Contracts and Construction Division

RE: Stockpiling of Steel Products

Due to recent decreases in the supply of some steel products, the Chief Engineer has directed that Section 111 of the Standard Specifications be revised on a temporary basis to include all reinforcing steel to the list of materials that may be stockpiled and are eligible for partial payment. A recurring special provision has been prepared and will begin appearing in all contracts except those that are exclusively mowing, herbicide, and bridge painting beginning with the April letting. In addition, the recurring special provision indicates that the Department will consider stockpiling other steel products if shortages are experienced in the future. The recurring special provision is included in this memo.

The Chief Engineer will be solely responsible for adding other steel products to the list of items eligible for stockpiling and partial payment as provided in the recurring special provision.

For active contracts, the Contractor may request to stockpile reinforcing steel or other steel products that have been declared by the Chief Engineer as eligible for stockpiling in accordance with the requirements of the recurring special provision. The PE/PS will need to prepare a change order to facilitate the partial payment.

Because of this steel shortage, the PE/PS needs to make sure that reinforcing steel and other steel products deemed acceptable for stockpiling by the Chief Engineer have been delivered to the contract or appropriate stockpile location before the Contractor removes any existing roadway element to ensure that the corresponding replacement element can be constructed and the roadway can be reopened with out delays due to steel and other critical materials not being on site when needed.

In addition, the Department will not be making payment to Contractors to offset surcharges placed on reinforcing steel or other steel products by their suppliers. It is the position of INDOT that these increased steel prices are part of the risk borne by the Contractor as it conducts business on a daily basis. The contracting industry will have to work with suppliers and submit bids which reflect the anticipated costs associated with steel products, as well as any other product, to the best of their ability.

The Special Provision will be as follows:

**STOCKPILED MATERIALS**

The Standard Specifications are revised as follows:

SECTION 111, BEGIN LINE 9, DELETE AND INSERT AS FOLLOWS:

vicinity of the project, or stored in approved storage facilities. Such materials shall be limited to structural steel, concrete structural members, ~~pavement~~ reinforcing steel, pavement contraction joints, granular base and subbase materials, aggregates for HMA and concrete pavements, and structural supports for signals, signs, and luminaires.

*In addition to the aforementioned, the Department will consider the stockpiling of other steel products, such as guardrail, culvert pipe, etc if it has been determined that a critical shortage of that material would cause delay to the project.*

SECTION 111, BEGIN LINE 109, DELETE AND INSERT AS FOLLOWS:

Approval of partial payment for stockpiled materials will not constitute final acceptance of such materials for use in completing the work. Structural steel members and ~~pavement~~ reinforcing steel may be subjected to additional inspection and testing prior to final acceptance and incorporation into the work. All other stockpiled pay items will be subjected to additional inspection and testing prior to final acceptance and incorporation into the work.

DAKJGJ:jgj

cc: Operations Support