

109-C-219 PG ASPHALT BINDER MATERIAL COST ADJUSTMENTS

(Revised 05-21-15)

The Standard Specifications are revised as follows:

SECTION 109, AFTER LINE 896, INSERT AS FOLLOWS:

109.05.3 PG Asphalt Binder Material Cost Adjustments

The Contractor shall elect at the time the bid proposal is submitted, in a manner determined by the Department, whether or not to enact PG asphalt binder material cost adjustments. If the Contractor elects not to enact such adjustments, there will be no adjusted payment made to the Contractor for changes in the cost of PG asphalt binder materials used on the project and the provisions of this specification will not be applied to the contract. PG asphalt binder material cost adjustments will not be added to the contract at any time after the Contractor has elected not to enact such adjustments with submittal of the bid proposal. PG asphalt binder material cost adjustments will not be applied to alternate bid pavement items, but may be applied to the common items on contracts containing alternate bid pavement items.

When the Contractor elects to enact PG asphalt binder material cost adjustments at the time the bid proposal is submitted, the Department will adjust payment to the Contractor due to an increase or decrease in the cost of PG asphalt binder material used on the project to produce HMA mixtures that are paid in accordance with 304, 401, 402, 410, 414, 610 or 718. Payment will be adjusted when an increase or decrease in the PG asphalt binder index for the contract is greater than or equal to 10.01%. Payment will only be adjusted when the total original or revised quantity of at least one HMA pay item exceeds 2,000 tons.

For contracts without any original HMA pay item quantity equal to or greater than 2,000 tons, adjusted payment will not be made until the revised quantity of at least one HMA pay item meets the quantity criteria. No adjusted payment will be made on any quantity of HMA items placed prior to when the 2,000 ton criteria has been met.

The Department will determine a PG asphalt binder index from one or more commercial services that provide regional indices. The PG asphalt binder index will be maintained by the Office of Materials Management and posted on the Department's website. The posting will include an explanation of how the index is determined. A monthly payment adjustment will be calculated for each HMA pay item placed on the contract during that month. The total PG asphalt binder adjustment applied to the contract each month will be the sum of the calculations for each HMA pay item. The payment adjustment for each HMA pay item will be calculated as follows:

For a price increase:

$$MPA = (Q \times Pb) / 100 \times LI \times [(BI-LI) / LI - 0.10]$$

For a price decrease:

$$MPA = (Q \times Pb) / 100 \times LI \times [(BI-LI) / LI + 0.10]$$

Where:

MPA = Mixture Payment Adjustment, in dollars, calculated to the nearest 0.01 dollar for each HMA pay item.

Q = Quantity of a HMA pay item placed, in tons, entered to the actual 0.01 unit placed. The quantity will be calculated prior to calculation of any other quantity adjustment.

Pb = Percent of virgin asphalt binder from the DMF, in the adjustment period, or JMF for the HMA mixture, entered to the nearest 0.1.

BI = PG asphalt binder index for the month the HMA pay item is placed, reported to the nearest whole dollar.

LI = PG asphalt binder index for the contract. The LI for all original contract HMA pay items equals the BI for the month immediately prior to the month of letting for the contract. The LI for any HMA extra work pay item will be the BI for the month the unit price for the pay item is submitted by the Contractor.

The calculation of (BI-LI)/LI will be rounded to the nearest 0.001. Payment will only be adjusted when the absolute value of (BI-LI)/LI is equal to or greater than 0.101.

If HMA pay items are placed beyond the specified contract completion date for the contract, the Department will calculate pay adjustments on the BI for the month of the specified completion date or the month of placement, whichever result is less.

The unit price of PG asphalt binder payment adjustment will be \$1.00 and the pay quantities will be in units of dollars.

Payment will be made under:

<i>Pay Item</i>	<i>Pay Unit Symbol</i>
<i>Payment Adjustment, PG Asphalt Binder</i>	<i>DOL</i>
