

## **SPECIAL PROVISION**

### **PRICE ADJUSTMENT CLAUSE HOT PLANT MIX BITUMINOUS PAVEMENT**

**1.0 GENERAL** - The current world situation is affecting the supplies and price of petroleum and may cause unpredictable fluctuation in the future costs of materials dependent on petroleum products. This clause will provide either an additional compensation to the Contractor or a credit to the Authority, depending upon increases or decreases in the price of the petroleum.

**2.0 ITEMS COVERED** - This price adjustment clause will apply only to the following items:

**2.1** Asphalt cement used in hot plant-mix bituminous pavement (Specifications 401 and 959).

**2.2** Asphalt cut-backs and emulsions used for bituminous surface treatment (Specification 409). The adjustment does not apply to bituminous materials used for prime and tack coats under Specifications 407 and 408 as these materials are not measured for direct payment but are included as a subsidiary obligation under other pay items.

### **3.0 GENERAL RULES**

**3.1** No price adjustment will be made until the average period for the covered item increases or decreases in excess of 5 percent of the base index price.

**3.2** Price adjustment will be prospective only and will apply to covered items in contract work acceptably performed after the effective date of the adjusted item price.

**3.3** Price adjustment for covered contract pay items will be computed monthly by the Authority after a price adjustment is triggered by a change of the average period price in excess of 5 percent over or under the base index price. The increased payment or deduction will be included in the next monthly payment certification covering work acceptably performed to which price adjustment is applicable.

**3.4** Once a price adjustment for a covered item is triggered as indicated above, the monthly price adjustment computations and payment will be continued until the work to which it applies is completed.

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- 3.5** No upward adjustment in price will be made for items used in work performed during periods for which the Contractor is being charged liquidated damages. If liquidated damages are subsequently reduced by an approved extension of time then this price adjustment clause will be applicable to the work performed during the period covered by the authorized time extension.
- 4.0 BASE INDEX PRICES** - The base index prices will be the prices on which price adjustment, either up or down, will be determined for the covered items in the contract. The base index price for each covered item as of the first working day of the month on which bids for this project are opened which will be determined as indicated below for the following item:
- 4.1** Asphalt cement, Cutbacks and Emulsions – The average of the lowest price, for each respective product per gallon, in effect as of the base index price date, tank load at the supplier's plant established and posted by two or more major suppliers in Puerto Rico.
- 5.0 AVERAGE PERIOD PRICE** - The average period price will be the price to be used to compare with the base index price to compute any applicable up or down price adjustment.
- 5.1** The average period price will be determined by the Authority for each covered item as of the first working day for each month following the opening of bids using the same procedures for the determination of the base index price.
- 5.2** The average period price will be applicable to the quantities of covered work acceptably performed during the month for which it was determined. When there is no change in the average period price, the previously determined average price will apply until the end of the month prior to a new average price being determined.
- 6.0 PRICE ADJUSTMENT COMPUTATIONS** - The quantity of material subject to price adjustment and the applicable adjustment will be determined as indicated below for the various items subject to price adjustment.

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#### 6.1 Hot Plant Bituminous Pavement, Specifications 401 and 959

- a. Additional compensation to the Contractor or credit to the Authority will be made for price variations in the asphalt cement and fuel oil (Bunker C or Diesel) used in preparing the mix.
- b. The price adjustments for asphalt cement will be based on one of the following usage factors:

Mix Type	Mix Paid by the Ton Gallons of Asphalt Cement per Ton
S 12, SPS	13.98
S 38	14.12
B 1, B 34, B 12, SPB	11.68
B 38	14.26
L 1, L 34, L 12, SPL	11.96
L 38	14.24

Note: For mix designs developed as surface mixes (S) with nominal aggregate size (NMA) of 1/2" (S 75 12 or S 50 12) which has been accepted in writing by the Authority and which are to be used (produced and placed) as a different type of mix (i.e. B 12 or L 12), the surface mixes (S) usage factor shall be considered for the adjustment clause purposes.

- c. To determine the price adjustment to the contract unit price of the bituminous plant mix:
  1. Compute the difference between the average period price for the month and the base index price for asphalt cement.

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2. Multiply the above differences by the respective usage factors given in paragraphs 6.1 b above and add the results to determine the total increase (or decrease) in unit price per ton for each type of mix.
3. Multiply the computed increase (or decrease) in unit price by the quantity of covered work to determine the additional compensation or credit due for each applicable contract item.
- d. The price adjustment for fuel oil (Bunker C or diesel as applicable to the plant supplying the project) will be based on 2.4 gallons of fuel oil per ton of bituminous plant mix accepted in the project. When the bituminous pavement mix is paid by the square meter, use a 0.06 gallons of fuel per square meter per centimeter depth of accepted pavement, following the procedures stated on 6.1 c (1,2,3) above

#### **6.2 Bituminous Surface Treatments, Specification 409**

- a. Additional compensation to the Contractor or credit to the Authority will be made for the price variation in the emulsified and cut-back asphalt's used for surface treatments to be paid for by the gallon as a separate contract item.
- b. The additional compensation or credit due will be computed by multiplying the difference between the average period price and the base index price for the bituminous material by the quantity used during the covered month.

**7.0 ADDED PAY ITEMS** - When new pay items which include materials covered by this price adjustment clause are added to this contract under an extra work order, the applicable base index prices will be determined by the Authority as of first working day of the month on which the extra work order is agreed upon and will be indicated in the extra work order.

**8.0 DESIGN CHANGES** - The Authority reserves the right to make changes in the design, reduce quantities or eliminate contract items affected by materials covered by this clause, under the terms provided in the General Provisions, when it considers such action to be in the public interest.