



Number: E-09-001

Date: January 16, 2009

ENGINEERING DIRECTIVE

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CHIEF ENGINEER

Revised Procedure for Determining the Monthly Price Adjustment for Hot Mix Asphalt Mixtures

This Engineering Directive contains information regarding the procedure for determining the Monthly Price Adjustment for Hot Mix Asphalt Mixtures used on MassHighway construction contracts.

All construction contracts bid after December 15, 2008, shall use the New Asphalt Period Price Method, as described in the attached Special Provisions.

All construction contracts bid on or before December 15, 2008, shall continue to use the Old Asphalt Period Price Method, as described in the attached Special Provisions.

The attached Special Provisions shall be inserted to and made part of the contract documents for all applicable projects, effective immediately.

The procedures for determining the Monthly Price Adjustment for Hot Mix Asphalt Mixtures shall also be available on the MassHighway website under the Construction Publications section of the MassHighway Business Center at:

<http://www.mhd.state.ma.us/default.asp?pgid=BusinessInfo&sid=info2>.

Attachment: Special Provisions

Post: _____

Do Not Post: _____

DOCUMENT 00811
SPECIAL PROVISIONS
MONTHLY PRICE ADJUSTMENT FOR HOT MIX ASPHALT (HMA) MIXTURES
METRIC UNITS
Revised: 02/18/2009

This provision applies to all projects using greater than 100 tons (91 megagrams) of hot mix asphalt (HMA) mixtures containing liquid asphalt cement as stipulated in the Notice to Contractors section of the bid documents.

The Price Adjustment will be based on the variance in price for the liquid asphalt component only from the Base Price to the Period Price. It shall not include transportation or other charges. This Price Adjustment will occur on a monthly basis.

Base Price

The Base Price of liquid asphalt on a project as listed in the Notice to Contractors section of the bid documents is a fixed price determined at the time of bid by the Department by using the same method as for the determination of the Period Price detailed below.

Period Price

Please note that, starting December 15, 2008, two sets of period prices will be posted each month on the MassHighway website at <http://www.mhd.state.ma.us/>. They will be labeled "New Asphalt Period Price Method" and "Old Asphalt Period Price Method".

New Asphalt Period Price Method

The "New Asphalt Period Price Method" is for contracts bid after December 15, 2008 and will show the Period Price of liquid asphalt for each monthly period as determined by MassHighway using the average selling price per standard ton of PG64-28 paving grade (primary binder classification) asphalt, FOB manufacturer's terminal, as listed under the "East Coast Market - New England, Boston, Massachusetts area" section of the Poten & Partners, Inc. "Asphalt Weekly Monitor". This average selling price is listed in the issue having a publication date of the second Friday of the month and will be posted as the Period Price for that month. MassHighway will post this Period Price on this website within two (2) business days following their receipt of the relevant issue of the "Asphalt Weekly Monitor". Poten and Partners has granted MassHighway the right to publish this specific asphalt price information sourced from the Asphalt Weekly Monitor.

Old Asphalt Period Price Method

The "Old Asphalt Period Price Method" Period Price will be for contracts bid on or before December 15, 2008 and will contain liquid asphalt prices as determined by the old or previous method. These prices will continue to be posted on MassHighway's website until all contracts using the "Old Asphalt Period Price Method" Period Price have been closed.

New and Old Asphalt Period Price Methods

The paragraphs below apply to both the New and the Old Asphalt Period Price Methods.

The Contract Price of the hot mix asphalt mixture will be paid under the respective item in the Contract. The price adjustment, as herein provided, upwards or downwards, will be made after the work has been performed, using the monthly period price for the month during which the work was performed.

The Price Adjustment applies only to the actual virgin liquid asphalt content in the mixture placed on the job in accordance with the Standard Specifications for Highways and Bridges, Division III, Section M3.11.03.

The Price Adjustment will be a separate payment item. It will be determined by multiplying the number of tons of hot mix asphalt mixtures placed during each monthly period times the liquid asphalt content percentage times the variance in price between Base Price and Period Price of liquid asphalt.

This Price Adjustment will be paid only if the variance from the Base Price is 5% or more for a monthly period. The complete adjustment will be paid in all cases with no deduction of the 5% from either upward or downward adjustments.

No Price Adjustment will be allowed beyond the Completion Date of this Contract, unless there is a Department-approved extension of time.

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