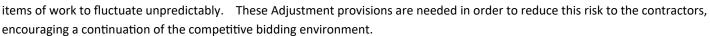
# Calculating Asphalt Cost Price Adjustment

# WHY DO WE HAVE ASPHALT COST PRICE ADJUSTMENT?

Contractor uncertainty incites inflated bids to cover unknown conditions. The cost adjustment provisions provide a method to minimize risk to the contractor on work where volatile market conditions cause cost on vulnerable



The current specifications have been developed in combination with the paving industry and other state DOT's,



This provision allows adjustments to be applied when the current cost of liquid asphalt exceeds +/- 5% of the Estimated base cost. This adjustment does not guarantee full compensation to the contractor, but does significantly reduce their risk.

# WHAT ARE THE QUALIFYING ITEMS?

**HMA** 

HMA CL. \_\_\_ IN. PG \_\_\_ [5766, 5767, 5768, 5769]

HMA FOR APPROACH CL. \_\_\_ IN. PG \_\_\_ [5872, 5873, 5874]

HMA FOR PRELEVELING CL. \_\_\_ IN. PG \_\_\_ [5716, 5717, 5718]

HMA FOR PAVEMENT REPAIR CL. \_\_\_ IN. PG \_\_\_ [5738, 5739, 5740]

COMMERCIAL HMA [5875]

**CRS—BINDER** 

ASPHALT EMULSION CRS-1 [5290]
ASPHALT EMULSION CRS-2 [5295]
ASPHALT EMULSION CRS-2P [5296]

## WHAT DO I PUT IN THE ESTIMATE FOR THIS ITEM?

• Use either the Asphalt Cost Adjustment, or Emulsion Cost Adjustment worksheet depending on whether HMA or Emulsified Asphalt is being placed in the project.

These worksheets are available on-line at:

HMA: https://wsdot.wa.gov/sites/default/files/2022-01/EstimatingOffice-HMACostAdjustment.xlsx CRS (Emulsion): https://wsdot.wa.gov/sites/default/files/2021-10/EstimatingOffice-CRSCostAdjustment.xlsx

- Fill-in the green cells with the requested information.
- Use the result in the pink cell for you estimate entry for either the HMA or Emulsion Cost Adjustment item.

(See worksheet examples next page)

## **ASSOCIATED GSP's & AMENDMENTS**

HMA EMULSION

<u>5-04.5.OPT2.GR5</u> <u>5-02.5</u>.OPT3.GR5

Asphalt Cost Price Adjustment Quick Reference



<sup>\*</sup> For non-standard HMA and Emulsified Asphalt, please consult the Construction Office

## **CALCULATING THE ADJUSTMENT FOR YOUR ESTIMATE**

The Asphalt Cost Adjustment worksheets are very similar, although HMA adjustment uses the 'Date of Calculation' in the determination and the binder content factors of each are different.

Use these worksheets to update the adjustment items frequently. The Base cost for the item will be based on the last Binder Reference Cost that is published preceding Bid Opening.

ASPHALT COST ADJUSTMENT WORKSHEET										
Project Number Value not used in calc. — Info Only	Date of Calculation	Insert the current Asphalt Binder Reference Cost Index number for your area from here.	Insert the AD date	Insert the end construction date	Insert the total quantity of asphalt eligible for escalation per the Special Provision in tons	Adjustment (Std Item 5837)				
						\$ -				
ASPHALT EMULSION—COST ADJUSTMENT WORKSHEET										
Project Number Value not used in calc. — Info Only	Total of the month	or Binder Reference Cost Inde	date if the cont	ning Insert the e	in tons eligible	-2P for the Adjustment (Std Item 5294)				
						\$ -				

Date Effective	~	Begin Period 💠	End Period 💠	Eastern 🕈	Western +
05/01/2019		04/16/2019	04/30/2019	\$477.50	\$430.00
04/16/2019		04/01/2019	04/15/2019	\$477.50	\$430.00
04/01/2019		03/16/2019	03/30/2019	\$477.50	\$430.00
03/18/2019		03/01/2019	03/15/2019	\$477.50	\$430.00
03/04/2019		02/16/2019	02/28/2019	\$487.50	\$430.00
02/20/2019		02/01/2019	02/15/2019	\$482.50	\$430.00

### ASPHALT BINDER REFERENCE

• Published 2 times Monthly.

cutoff date.

For example:

for this example the

- •Use either East or West—dependent on project Location
- Base cost is that which immediately precedes Bid Opening.
- \* No Adjustment will be made if Reference cost is within 5% of Base.

GET CURRENT BINDER REFERENCE COST AT:

Asphalt binder reference cost | WSDOT (wa.gov)

Adjustments will be made based on the most

current reference cost for Western or Eastern Washington as posted on the Binder Refer-

ence website prior to the progress estimate

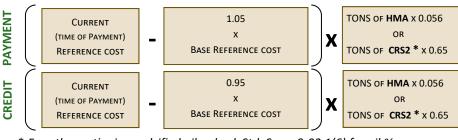
Your estimate cut-off date is 03/29/2019

columns to find the date range that your

review the Begin Period & End Period

estimate cut-off date falls within.

### **HOW DO I PAY BINDER COST ADJUSTMENT ITEMS?**



\* For other cationic emulsified oils, check Std. Spec. 9-02.1(6) for oil %



The Above calculation is used in determinavailable from the Construction Office that performs the Adjustment calculation based

## **GET CALCULATION WORKSHEET**

ing adjustments. However a worksheet is on current reference Cost and tons of Asphalt placed.

is 03/30/2019 Use the Binder reference cost shown for

Begin Period is 03/16/2019 & the End Period

A no-cost change order is needed to document this change.

https://wsdot.wa.gov/business-wsdot/how-do-business-us/public-works-contracts/ payments-reporting/escalation-clauses