

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

SPECIAL PROVISION

JOB NO.

PRICE ADJUSTMENT FOR ASPHALT BINDER

A price adjustment clause is included in this Contract to provide additional compensation to the Contractor or a credit to the Department for fluctuations in asphalt binder prices. This price adjustment is dependent upon a change in the average price of asphalt binder which results in an increase or decrease in the price of products utilized on this project.

Payment. Payment will be made to the Contractor for monthly fluctuation in the price of asphalt binder used in performing the applicable items of Asphalt Concrete Hot Mix work as listed in the table below when the asphalt binder price fluctuates from the base price defined below. Payments may be positive, negative, or nonexistent depending on the circumstances. Payments or deductions for the asphalt binder price adjustment will be included in the Contractor's current estimates, and the payment or deduction authorized for each estimate will be based upon the quantities for applicable items of work.

The Asphalt Binder Price Adjustment will be a dollar amount paid as compensation to the Contractor, or as a credit to the Department as reflected on the Current (or Final) Estimate Summary Report as Payment Adjustments.

Asphalt Binder Price Adjustment (ABPA). The Asphalt Binder Price Adjustment (ABPA) for the current estimate will be computed according to the following formula:

$$ABPA = Q \times D$$

Where

- ABPA = Asphalt binder price adjustment, in dollars;
- Q = Quantities paid for the applicable items on the current estimate, in tons of mix;
- D = Allowable price differential, in dollars.

The above formula will be applied to each individual payment of the applicable item. When the Current (or Final) estimate is generated, the sum of these individual adjustments will be included as a Payment Adjustment.

Applicable Items of Asphalt Concrete Hot Mix Work	
ITEM OF WORK	SPECIFICATION NUMBER
Asphalt Binder in ACHM Base Course	405
Asphalt Binder in ACHM Binder Course	406
Asphalt Binder in ACHM Surface Course	407

When the units of measure in this contract for the items of work listed in the table do not correspond with the units shown in the table (i.e. Asphalt Concrete paid by the square yard, etc.), those items will not be subject to the terms of this special provision or any asphalt binder price adjustment.

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

SPECIAL PROVISION

JOB NO.

PRICE ADJUSTMENT FOR ASPHALT BINDER

The allowable price differential, "D", for the current estimate will be computed according to the following formula:

$$D = P - P_{(b)}$$

P, the asphalt binder current price in dollars per ton, is the Monthly Asphalt Binder Price Index for the month in which the payment entry is entered.

P_(b), the asphalt binder base price in dollars per ton, is the Monthly Asphalt Binder Price Index for the month in which the bids for the work were received.

Asphalt Binder Index Determination. The Monthly Asphalt Binder Price Index will be determined by calculating the average for performance-graded binder using the Selling Price of PG 64-22 paving grade. The monthly asphalt binder price will be an average of five asphalt binder prices. The prices will be furnished by the four largest asphalt binder suppliers in the State of Arkansas as determined by the previous calendar year. For an asphalt supplier to be included in the asphalt binder price index they must supply at least ten percent of the asphalt binder in Arkansas. The final component in the asphalt binder price index will be the Asphalt Weekly Monitor® furnished by Poten & Partners, Inc. The issue of the Asphalt Weekly Monitor® used will be for the last full week in the previous month received by the Department prior to the first day of the index month. The four largest suppliers included in the asphalt binder price index shall furnish the Department with their average price on the Thursday before the Friday of the last full week of the month. If any supplier fails to submit a price by this deadline, that supplier's price will not be included in the asphalt binder price index for that month.

Supplemental Items Subject to Adjustment. Items included in the contract that are listed in the table above are subject to adjustment in accordance with this provision, regardless of any amount of overrun to the plan quantity. Any new items of work added to the Contract by supplemental agreement that are listed in the table above will be subject to the asphalt binder price adjustments in accordance with this provision. The base asphalt binder price, P_(b), for any newly added eligible items will be the same P_(b) as the eligible items in the Contract, and the new unit price established by supplemental agreement will be determined accordingly.

Viewing Asphalt Binder Price Index. Historical asphalt binder price index values will be available on the Department's website using this web link:

http://www.arkansashighways.com/ProgCon/AHTD_Aspphalt_Binder_Index.pdf