

1 **(January 13, 2021)**

2 **Asphalt Cost Price Adjustment**

3 The Contracting Agency will make an Asphalt Cost Price Adjustment, either a credit or a
4 payment, for qualifying changes in the reference cost of asphalt binder. The adjustment
5 will be applied to partial payments made according to Section 1-09.9 for the following
6 bid items when they are included in the proposal:

7
8 "HMA Cl. ____ PG ____"

9 "HMA for Approach Cl. ____ PG ____"

10 "HMA for Preleveling Cl. ____ PG ____"

11 "HMA for Pavement Repair Cl. ____ PG ____"

12 "Commercial HMA"

13
14 The adjustment is not a guarantee of full compensation for changes in the cost of
15 asphalt binder. The Contracting Agency does not guarantee that asphalt binder will be
16 available at the reference cost.

17
18 The Contracting Agency will establish asphalt binder reference costs twice each month
19 and post the information on the Agency website at: [https://wsdot.wa.gov/business-](https://wsdot.wa.gov/business-wsdot/contracts/about-public-works-contracts/payments-reporting/asphalt-binder-reference-cost)
20 [wsdot/contracts/about-public-works-contracts/payments-reporting/asphalt-binder-](https://wsdot.wa.gov/business-wsdot/contracts/about-public-works-contracts/payments-reporting/asphalt-binder-reference-cost)
21 [reference-cost](https://wsdot.wa.gov/business-wsdot/contracts/about-public-works-contracts/payments-reporting/asphalt-binder-reference-cost). The reference cost will be determined using posted prices furnished by
22 Poten & Partners, Inc. If the selected price source ceases to be available for any
23 reason, then the Contracting Agency will select a substitute price source to establish the
24 reference cost.

25
26 Price adjustments will be calculated one time per month. No price adjustment will be
27 made if the Current Reference Cost is within +/-5% of the Base Cost. Reference costs
28 for projects located in Eastern versus Western Washington shall be selected from the
29 column in the WSDOT website table labeled "Eastern", or "Western", accordingly. The
30 adjustment will be calculated as follows:

31
32 If the reference cost is greater than or equal to 105% of the base cost, then
33 Asphalt Cost Price Adjustment = (Current Reference Cost – (1.05 x Base Cost)) x
34 (Q x 0.056).

35
36 If the reference cost is less than or equal to 95% of the base cost, then
37 Asphalt Cost Price Adjustment = (Current Reference Cost – (0.95 x Base Cost)) x
38 (Q x 0.056).

39
40 Where: **Current Reference Cost** is selected from the website table based on
41 the "Date Effective" that immediately precedes the current month's
42 progress estimate end date. For work completed after all authorized
43 working days are used, the adjustment will be based on the posted
44 reference cost during which contract time was exhausted.

45
46 **Base Cost** is selected from the website table based on the "Date
47 Effective" that immediately precedes the contract bid opening date,
48 and shall be a constant for all monthly adjustments.

49
50 **Q** = total tons of all classes of HMA paid in the current month's
51 progress payment.
52

- 1 "Asphalt Cost Price Adjustment", by calculation.
- 2 "Asphalt Cost Price Adjustment" will be calculated and paid for as described in this
- 3 section. For the purpose of providing a common proposal for all bidders, the
- 4 Contracting Agency has entered an amount in the proposal to become a part of the total
- 5 bid by the Contractor.