

1 | (~~April 14, 2014~~September 15, 2014)

2 | **Steel Cost Adjustment**

3 | **General**

4 | The Contracting Agency will make a steel cost adjustment, either a credit or a  
5 | payment, for qualifying changes in the index price of raw steel used in the  
6 | production of specified materials that are incorporated into the permanent Work.  
7 | The adjustment will be applied to partial payments made according to Section 1-  
8 | 09.9. The adjustment will be applied to the following materials:

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- 10 | • Reinforcing steel conforming to Section 9-07 used in non-proprietary walls,  
11 | and pedestrian and vehicular bridge Substructure and Superstructure.
  - 12 |
  - 13 | • Structural steel conforming to Section 6-03.2 used in pedestrian and vehicular  
14 | bridge Substructure and Superstructure.
  - 15 |
  - 16 | • Soldier Piles
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  - 18 | • Permanent steel casings for vertical shafts and horizontal borings and  
19 | jackings
  - 20 |
  - 21 | • Permanent steel casings for concrete piling
  - 22 |

23 | The adjustment is not a guarantee of full compensation for steel price changes.  
24 | Any adjustment provided by this provision shall not obligate the Contracting Agency  
25 | for any costs due solely to changes in steel costs beyond the amount adjusted by  
26 | this provision. The Contracting Agency does not guarantee that steel will be  
27 | available at the base steel cost or monthly steel cost. No additional adjustment will  
28 | be made for changes in the cost of manufacturing, fabrication, shipping, or storage.

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30 | For the purpose of determining the adjustment, the Base Steel Cost shall be the  
31 | *Engineering News-Record **Materials Cost Index for Steel \$/Ton**CWT* index value  
32 | for the month prior to the month that Bids are opened. The Base Steel Cost is fixed  
33 | for the duration of the Contract and will be used for determining all adjustments.

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35 | The Monthly Steel Cost shall be the *Engineering News-Record **Materials Cost***  
36 | ***Index for Steel \$/Ton**CWT* index value for the month that the steel is actually  
37 | shipped from the producing mill. If the specified index ceases to be available for  
38 | any reason, the Contracting Agency at its discretion will select and begin using a  
39 | substitute price source or index to establish the Monthly Steel Cost.

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41 | For each month that steel material that is specified in this Section is incorporated  
42 | into the permanent Work or paid for as Materials on Hand, the Contractor shall  
43 | provide the Engineer with written documentation (such as bills of lading, invoices,  
44 | or purchase orders) of the actual date and quantity of steel in pounds shipped from  
45 | the producing mill to the manufacturer and the Contracting Agency contract number  
46 | that the steel is used in.

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48 | **Measurement**

49 | No adjustment will be made if the Monthly Steel Cost is within 10 percent of the  
50 | Base Steel Cost. No adjustment will be made for Work performed after the  
51 | authorized time for completion. No adjustment will be made for any products

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manufactured from steel having a mill shipping date prior to the date the contract is executed.

If the Monthly Steel Cost is greater than or equal to 110% of the Base Steel Cost, then:

$$\text{Adjustment} = \frac{(\text{Monthly Steel Cost} - (1.1 \times \text{Base Steel Cost})) \times Q}{2000100}$$

If the Monthly Steel Cost is less than or equal to 90% of the Base Steel Cost, then:

$$\text{Adjustment} = \frac{(\text{Monthly Steel Cost} - (0.90 \times \text{Base Steel Cost})) \times Q}{2000100}$$

Where Q = total pounds of reinforcing steel and structural steel paid in the current month's progress payment. No adjustment will be provided for quantities of steel exceeding the estimated quantity shown in the Contract, even though the actual quantities required may deviate from those listed. If the Contract provides no estimated quantities, then the maximum quantity of reinforcing steel or structural steel shall be the quantity determined by the Engineer using WSDOT approved shop drawings and a unit weight of 490-pounds per cubic foot of steel.

**Payment**

Payment will be made in accordance with Section 1-04.1 for the following bid item included in the bid proposal:

“Steel Cost Adjustment”, by calculation.

To provide a common proposal for all bidders, the Contracting Agency has entered an amount in the proposal to become a part of the Contractor's total bid.

No adjustment payment will be provided until the Contractor provides written documentation of the actual date and quantity of steel in pounds shipped from the producing mill to the manufacturer. If the Contractor fails to provide the required documentation, then adjustment credits will be calculated using a shipment date determined by the Engineer in accordance with Section 1-05.1.