

SECTION 401

ASPHALT CONCRETE PAVEMENT

*Replace Standard Modification E 66:*

**401-5.02 ASPHALT MATERIAL PRICE ADJUSTMENT.**

Asphalt Material Price Adjustment. This subsection provides a price adjustment for asphalt material by: (1) additional compensation to the contractor or (2) a deduction from the contract amount.

1. This provision shall apply to asphalt material meeting the criteria of Section 702, and is included in items listed in the bid schedule of Sections 306, 307, 308, 401 thru 405, 608 and 609.
2. This provision shall only apply to cost changes in asphalt material that occur between the first Friday of the month of which the bid opening occurs and the date the asphalt material is incorporated into the project.
3. The asphalt material price adjustment will only apply when:
  - a. There is more than a seven and one half percent (7.5%) increase or decrease in the Alaska Asphalt Material Price Index, AAMPI, from the date of bid opening to the date the asphalt material is incorporated into the project.
4. As used in this Subsection, the AAMPI is calculated bi-monthly on the first and third Friday of each month, and is in effect from the day of calculation until the next bi-monthly calculation. The AAMPI is posted on the Department's Statewide Materials website and is calculated according to the formula posted there. Posting of new AAMPI values after the first and third Friday of each month is typically delayed one to several days. Any delay in the Department's posting of an updated AAMPI value shall not constitute grounds for using any value other than the value in effect as described in this specification.
5. Price adjustment will be cumulative and calculated with each progress payment.

For projects where asphalt material is purchased from a commercial plant serving multiple customers, use the AAMPI in effect on the last day of the pay period, to calculate the price adjustment for asphalt material incorporated into the project during that pay period. For projects where the asphalt material is purchased in advance of incorporating it into the project, use the AAMPI in effect on the last day of the pay period when the asphalt material was purchased. Submit the asphalt material purchase invoice, showing the date purchased, to the Engineer to identify the pay period when the asphalt material was purchased. The Department will increase or decrease payment under this contract by the amount determined with the following asphalt material price adjustment formula:

$$\begin{aligned} \text{For an increase exceeding 7.5\%, additional compensation} &= [(IPP - IB) - (0.075 \times IB)] \times Q \\ \text{For a decrease exceeding 7.5\%, deduction from contract} &= [(IB - IPP) - (0.075 \times IB)] \times Q \end{aligned}$$

Where:

- Q = Quantity of Asphalt Material incorporated into project during the pay period, in tons  
IB = Index at Bid: the Bi-monthly AAMPI in effect on date of bid, in dollars per ton  
IPP = Index at Pay Period: the Bi-monthly AAMPI in effect on the last day of the pay period, in dollars per ton

6. Method of measurement for determining Q (quantity) is the weight of asphalt material that meets the criteria of this subsection and is incorporated into the project. The quantity does not include

aggregate, mineral filler, blotter material, thinning agents added after material qualification, or water for emulsified asphalt.

7. Basis of payment is:

401(10) Asphalt Material Price Adjustment

Contingent Sum