

Asphalt Price Adjustment

1.1 Asphalt Price Adjustment

- 1.1.1. This specification contains price adjustment provisions for asphalt cement used in the production of bituminous concrete pavement. The price adjustment is compensation to the contractor *or* payment to the Town depending on increase or decrease in the average price of asphalt cement during the project.
- 1.1.2. It is understood by the contractor that a price adjustment increase may require the Town to decrease quantities of the pay items in this contract in order to stay within budget.
- 1.1.3. The contractor hereby agrees that its bid prices for this contract include no allowances for any contingencies to cover increased costs for which adjustment is provided herein.
- 1.1.4. The contract index price (IP) will be the most recent index price set by the Vermont Agency of Transportation at the time of Bid Opening.
- 1.1.5. The posted price (PP) for a ton of asphalt cement will be set monthly by the Vermont Agency of Transportation. The contract posted price will be determined by individual roadway as the price in the month that paving begins on that roadway.
- 1.1.6. A price adjustment will be paid or credited for asphalt cement only when the Posted Price of asphalt cement increases or decreases over its respective Index Price. This price adjustment will be paid only if the variance from the Index Price is 5% or more for a monthly period. The complete adjustment will be paid with no deduction of the 5% from either upward or downward adjustments.
- 1.1.7. The contractor will provide from the supplier the total actual asphalt cement added (tons) per roadway (QAC) based on batch tickets, excluding any percent of asphalt cement from Recycled Asphalt Pavement.
- 1.1.8. The price adjustment shall be calculated for individual roadways and credited or debited on the final closeout invoice.
- 1.1.9. The price adjustment to be paid shall be calculated as follows:
$$PA=[QAC \times (PP-IP)]$$