SECTION 698 - PRICE ADJUSTMENTS

Standard Specifications Section 698, Price Adjustments, contains the contract requirements for providing additional compensation to, or repayment by, the Contractor for increases or decreases in the price of asphalt or fuel throughout the life of the contract.

Eligible Work
Price adjustments will be determined for eligible work listed in the proposal and as described in the Standard Specifications.

General Requirements
Asphalt and Fuel adjustments need to be computed for each estimate period. A summary of all adjustments shall be maintained to determine when, and if a payment is necessary.

No adjustments either positive or negative, will be made until the payment of the final estimate, unless the accumulated adjustment amount of either the asphalt (Item 698.01 M) and/or the fuel (Item 698.02 M) exceeds $5000. When this value is exceeded, an order-on-contract (OOC) will be required to make payment. The OOC will pay the adjustment using a new item number, for example 4 #698.01 M (where the # is the Region number), and the original item number, 698.01, shall be reserved for the remaining adjustments in the final estimate. It is not necessary to process an OOC for overruns greater than the original quantity in the final. (The original quantity may be overrun in the final estimate for the asphalt and fuel adjustment items.)

An OOC shall be prepared each time the cumulative adjustment amount exceeds $5000 for either of the adjustment items.

Payment Documentation
Asphalt and Fuel price adjustments are to be computed as outlined in the Method of Computation section of the Specifications. These calculations are provided for in the Computerized Engineers Estimate System (CEES) and it is unnecessary to maintain manual records. CEES will generate a Fuel & Asphalt Report (Fuel & Asphalt Adjustment Worksheet) at the end of each estimate period and also provides a Fuel & Asphalt Adjustment Summary. This Fuel & Asphalt Summary Report is required to be submitted in the final estimate to the comptroller. CEES requires the eligible Asphalt and Fuel items and the index prices to be entered at contract set up. It is important to note that all eligible items should be entered at this point. If an item is added at a later date, CEES will only compute the adjustment from the date of entry, not from the contract start. Adjustments for these items used, prior to the date of entry will have to be performed manually. These manual adjustments will also have to be added to the Asphalt & Fuel Adjustment Summary.

To have CEES compute the Asphalt & Fuel Adjustments, the item number and quantity used must be entered into the Inspector’s Reports. Additionally, the Monthly posted price for Asphalt & Fuel must be entered for each month.

At the end of an estimate period, CEES will generate a Fuel and Asphalt Adjustment Worksheet. This is for information purposes only. Also note that CEES will also generate a Fuel & Asphalt Adjustment Summary. It is the Engineers responsibility to monitor the total adjustments and determine if a payment is necessary. CEES will not include the adjustments in any period estimate.

Please refer to the CEES user manual for a detailed description of the data entry process for Asphalt & Fuel Adjustments.

Negative Adjustments
CEES will calculate the negative adjustments as they occur. Any negative amount beyond the original contract quantity must be made as a Charge-to-Contractor under the corresponding item number. The
Charge-to-Contractor is usually included on the Final Estimate, although it is possible to include it on a payment estimate.

References