

PAYMENT ADJUSTMENT FOR CHANGES IN THE MINISTRY OF TRANSPORTATION'S PERFORMANCE GRADED ASPHALT CEMENT PRICE INDEX

Special Provision No. ACPAYADJ

A payment adjustment is applied based on changes to the ministry's performance graded asphalt cement price index unless the Contractor opts out by notifying the ministry in writing within five Business Days of receiving permission to start work. Once the Contractor has opted out of payment adjustments based on the price index, the Contractor shall not be permitted to opt back in. The price index is published monthly in the Contract Bulletin. The price index is used to calculate the amount of the payment adjustment per tonne of new asphalt cement accepted into the Work. No payment adjustment based on the ministry's performance graded asphalt cement price index shall be applied to the asphalt cement used in paving repair work.

The price index is based on the price, excluding taxes, FOB the depots in the Toronto area, of asphalt cement grade PG 58-28 or equivalent. One index is used to establish and calculate the payment adjustment for all grades.

A payment adjustment per tonne of new asphalt cement is established for each month in which paving occurs when the price index for the month differs by more than 5% from the price index for the month prior to tender opening. When the price index differential is less than 5%, there is no payment adjustment established for that month. Payment adjustments due to changes in the price index are independent of any other payment adjustments made to the hot mix tender items.

The payment adjustment for the month is calculated from the following formulae:

I_P	Asphalt Cement Price Adjustment, PA
$I_P > 1.05 I_{TO}$	$PA = (I_P - 1.05 I_{TO}) \times T_{AC}$
$I_P < 0.95 I_{TO}$	$PA = (0.95 I_{TO} - I_P) \times T_{AC}$

Note: If $I_P > 1.05 I_{TO}$ the Contractor receives compensation; however, if $I_P < 0.95 I_{TO}$ the Owner receives a rebate.

Where:

- PA = payment adjustment for new asphalt cement, in dollars
- I_{TO} = performance graded asphalt cement price index for the month prior to tender opening
- I_P = performance graded asphalt cement price index for the month in which paving occurs
- T_{AC} = quantity of new asphalt cement in tonnes

T_{AC} , shall be calculated as follows:

$$T_{AC} = [AC_{new} / 100] \times T_{mix_mnth}$$

Where:

- AC_{new} = the percentage of new asphalt cement in the mix as required by the job mix formula
- T_{mix_mnth} = the tonnage of hot mix asphalt accepted into the work during the month for which the payment adjustment was calculated

T_{mix_mnth} , shall be calculated as follows:

$$T_{mix_mnth} = [0.975 \times BRD_{mix} \times (T_D/1000) \times A_{mix}]$$

Where:

- BRD_{mix} = the bulk relative density in t/m^3 , calculated from values obtained in the testing of bulk samples obtained during production of HMA placed in the work
- T_D = the design thickness, in millimetres, of the HMA
- A_{mix} = area of HMA placed in square metres

The payment adjustment per tonne applies to the quantity of new asphalt cement in the HMA accepted into the Work during the month for which it is established. The quantity of new asphalt cement includes all grades of asphalt cement supplied by the Contractor with and without polymer modifiers.

For each month in which a payment adjustment has been established, the quantity is calculated using the HMA quantity accepted into the Work and its corresponding asphalt cement content as required by the job mix formula except for mixes which contain reclaimed asphalt pavement or roof shingle tabs.

For mixes which contain reclaimed asphalt pavement, the percentage of new asphalt cement is determined from the difference between the asphalt cement content required by the job mix formula and the asphalt cement content of the reclaimed asphalt pavement incorporated into the HMA, as calculated by the Contract Administrator.

For mixes containing a liquid anti-stripping additive, the percentage of anti-stripping additive is deducted from the percentage of new asphalt cement. No other deductions are made for any other additives.

For progress payment purposes, payment adjustments are made on the monthly progress payment certificate for the months in which HMA paving occurs.

WARRANT: All pavement warranty contracts.

CUSTODIAN: Primary: Construction Contracts Project Engineer, Contract Policy Section; Secondary: Seyed Tabib, Bituminous Section.