

**109.04 Asphalt Escalation.** The Asphalt Escalation Clause is not in effect for this contract, therefore this Subsection of the Standard Specifications is hereby deleted. Delete if more than 240 tons of total asphalt on contract (If 6% of plantmix is more than 240 tons.) 4,000 TON of PLANTMIX

This Subsection of the Standard Specifications is hereby deleted and the following substituted therefore:

The use of the price adjustment provisions as developed and implemented herein are intended to minimize the cost effects of price uncertainty to the Contractor and the Department for "Asphalt Cement" used in the construction of the contract. The price adjustment provisions are not intended to serve as a guarantee for full compensation for "Asphalt Cement" price fluctuations but are intended to provide for a sharing, by the Department, in a portion of the Contractor's risk which could result from potentially volatile price fluctuations that might occur throughout the duration of the contract.

The price adjustment provisions do not serve to relieve the Contractor of risks associated with fluctuation in prices beyond the amount adjusted by the provisions. The price adjustment provisions are only applicable to "Asphalt Cement;" they are not applicable to cutback asphalt or emulsified asphalt. The term "Asphalt Cement" as used herein is applicable to PG grades as specified in Subsection 703.03.02.

The progress payment will be adjusted upward or downward, as calculated by the "Total Bi-Weekly Adjustment." These adjustments will be determined by the Department and will be based on selling prices for asphalt cement in the Poten & Partners Asphalt Weekly Monitor report. The sources used by the Department to determine the asphalt cement price at any given time will be the selling prices for California/Utah/Idaho/Nevada for non-modified paving grades and the California paving grades. The average of the high and low selling price for each of the following areas will be used: Utah - Salt Lake City area; Idaho - Boise area, Eastern markets, Northern markets [includes E.WA]; Nevada - Las Vegas area, Reno area; California - San Francisco area, Los Angeles area, Bakersfield area. Each of these nine average area prices is then used to calculate the weekly average price; the weekly average price is used to calculate the "Base Price" and the "Current Price." The adjustment will be made by comparing a "Base Price" to the "Current Price." The method for making this adjustment is described in the following paragraphs:

- (a) The "Base Price" is the weekly average price using the prices posted on the Monday of the bid opening. The "Base Price" will be determined by the Department on a weekly basis. The "Base Price" in effect for the week a contract bid opening occurs will be the "Base Price" for the contract.

The "Base Price" for "Asphalt Cement" will be available on an informational basis to interested parties but said prices will not be available prior to the first regular business day of the week of the bid opening. The price may be obtained on the Department's website at:  
<https://www.nevadadot.com/home/showdocument?id=2025>.

- (b) The "Current Price" is the weekly average price using the prices posted on the Monday prior to the end of the progress payment period. During the time "Asphalt Cement" is used on the contract, the Department will maintain the "Current Price" on a weekly basis.

- (c) The adjustment for said "Asphalt Cement" will be subject to increase or decrease in accordance with the following provision for "Asphalt Cement" price fluctuations exceeding 10%. The adjustment will be determined in accordance with the following formulas for "Asphalt Cement" used during the progress payment period:

For the Adjustment to be applied to both Dense Grade Plantmix and Open Graded Plantmix:

$$\text{Total Bi-Weekly Adjustment per Item} = Pa * Q$$

For the Unit Price Adjustment:

$$Pa = (Cp - A) * Ix$$

For an increase or decrease in the Weekly Materials Adjustment Index exceeding 10% of the Base Price:

$$A = Bp + (0.10 * Bp)$$

If current price is higher than base price, formula should include +  
If current price is lower than base price, formula should include -

Where:

- A = The Adjusted Base Price
- Bp = The Base Price for the week in which the bid opening for the contract occurred
- Cp = The Current Price for the week of the progress payment period
- Pa = Unit Price Adjustment
- Ix = Index Factor which is defined as 5% (0.05) for Dense Grade Plantmix and 6.5% (0.065) for Open Graded Plantmix
- Q = Quantity in tons of Dense Grade Plantmix or Open Graded Plantmix

- (d) The adjustment in compensation shall also be subject to the following:

1. The compensation adjustments provided herein, will be shown separately on the progress payment. The Contractor shall be liable to the State for decreased compensation adjustments and the Department shall deduct the amount thereof from any monies due or that may become due the Contractor.
2. The Department reserves the right to terminate the contract whenever the "Current Price" exceeds the "Base Price" by 75%. The contract may be terminated in part or in whole by the Department.

Carded 07/2/2024