

109.09 Emulsified Asphalt Escalation. The use of this price adjustment provision, as developed and implemented herein, is intended to minimize the cost effects of price uncertainty to the Contractor and the Department for "Emulsified Asphalt" used in accordance with Sections 404, 406, 407, 408, and 418, for the construction of the contract. The price adjustment provisions are not intended to serve as a guarantee for full compensation for "Emulsified Asphalt" price fluctuations, but are intended to be 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. This escalation does not cover items when considered incidental to 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. This adjustment will be full compensation for any and all price fluctuations, including but not limited to taxes, transportation, and delays.

The price adjustment provisions are only applicable to "Emulsified Asphalt." The terms "Emulsified Asphalt" and "emulsion" as used herein are applicable to grades of emulsified and cutback asphalts required for Section 404, 406, 407, 408, and 418. The quantity of asphalt used in escalation calculations for emulsified asphalt is based upon the minimum residue (MR) percentage with the specified dilution factors for the particular type of emulsion bid and supplied by the Contractor in accordance with Subsection 703.03.04.

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 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 "Emulsified Asphalt" 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.dot.nv.gov/doing-business/about-ndot/ndot-divisions/operations/construction/contract-escalation-clauses>.

- (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 "Emulsified Asphalt" is used on the contract, the Department will maintain the "Current Price" on a weekly basis.
- (c) The adjustment for said "Emulsified Asphalt" will be subject to increase or decrease in accordance with the following provision for "Emulsified Asphalt" price fluctuations exceeding 10%. The adjustment will be determined in accordance with the following formula for "Emulsified Asphalt" used during the progress payment:

For the Adjustment to be applied:

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

For the Unit Price Adjustment:

$$Pa = Cp - A$$

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 –

For the Residue Quantity, in tons of actual asphalt contained in product:

$$RQ = MR*(Emulsified Asphalt Supplied)$$

- 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
 - RQ = Residue Quantity of emulsified asphalt supplied by Contractor
 - MR = Minimum asphalt residue percentage identified as minimum "Residue, %" for specified emulsion type listed in Table I, for items associated with Sections 404, 406, 407, 408 and 418. This percentage is the quantity of actual asphalt contained within the various emulsions.

TABLE I

Grade of Emulsified Asphalt	Residue %
EMULSIFIED ASPHALT, TYPE CMS-2S	60
EMULSIFIED ASPHALT, TYPE CMS-2S (DILUTED)	30
EMULSIFIED RECYCLING AGENT	60
CUTBACK ASPHALT, TYPE MC-250	67
EMULSIFIED ASPHALT, TYPE SS-1	57
EMULSIFIED ASPHALT, TYPE SS-1 (DILUTED)	40
EMULSIFIED ASPHALT, TYPE SS-1H (DILUTED)	40
EMULSIFIED ASPHALT, TYPE CSS-1 (DILUTED)	40
EMULSIFIED ASPHALT, TYPE CSS-1H	57
EMULSIFIED ASPHALT, TYPE CSS-1H (DILUTED)	40
EMULSIFIED ASPHALT, TYPE CSS-1H (MODIFIED)	57
EMULSIFIED ASPHALT, TYPE CQS-1NV (DILUTED)	40
EMULSIFIED ASPHALT, TYPE CQS-TRNV (DILUTED)	40
FOG SEAL	39
EMULSIFIED ASPHALT, TYPE CRS-2NV	65
EMULSIFIED ASPHALT, TYPE LMCRS-2H	65
EMULSIFIED ASPHALT, TYPE PMPS-H	65
EMULSIFIED ASPHALT, TYPE PMRE-H	65
EMULSIFIED ASPHALT, TYPE PMCQS-1NV	64
MICRO-SURFACING EMULSION, TYPE MSE	64
MICRO-SURFACING EMULSION, TYPE MSE-H	64

(d) The adjustment in compensation will 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 may deduct the amount thereof from any monies due or that may become due the Contractor.
2. The Department reserves the right to cancel the contract whenever the "Current Price" exceeds the "Base Price" by 75%. The contract may be canceled in part or in whole by the Department.