

ASPHALT ESCALATION / DE-ESCALATION GUIDE

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This document explains the process to perform Asphalt Escalation/De-Escalations (AE) adjustments on projects in which the AE provisions are included (Section 0195.10). If you have any questions on this process, please contact the Contract Administration Unit at (503) 986-3050.

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SECTION 1 – GENERAL INFORMATION

The intent of the AE specifications are meant to limit the risk to the Contractor if the cost of asphalt cement materials changes drastically between the time the project is bid, and the time the qualifying work is performed.

AE provisions are included in the project Special Provisions by the Specification Writer only when there is more than 150 Tons of asphalt cement on the project.

If the project has more than 150 Tons of asphalt cement, the qualifying asphalt bid items will be listed in the Special Provisions, Section 00195.10:

(d) Asphalt Cement Price Adjustment - A price adjustment will be made for the items containing asphalt cement listed below. The price adjustment as calculated in (c) above will use the MACMP for the month the asphalt is incorporated into the Project. The price adjustment will be determined by multiplying the asphalt incorporated during the month for subject Pay Items by the Adjustment Factor.

The Pay Items for which price adjustments will be made are:

Pay Item(s)

PG 70-22 Asphalt in HMAC

The Agency will adjust the payment to the Contractor if the current asphalt cement price differs more than 5% from the established Base Asphalt Cement Material Price (Base). AE adjustments **must** be calculated using the ODOT [AE Worksheets](http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/HwyConstForms1.shtml), which are available on the ODOT Construction Section forms website at:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/HwyConstForms1.shtml>

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SECTION 2 – REVIEW THE PROJECT SPECIAL PROVISIONS

As early as possible after the final Special Provisions are available, and before the project goes to bid, the Project Manager (PM) or staff must review the project Special Provisions to determine if the AE provisions are included.

It is also very important to understand that if the project contains any Federal funds, any changes to the AE provisions after contract award may be ineligible for participation. Refer to Section 7 for guidance on what types of changes can be made to the AE provisions and still qualify for federal participation. This makes it even more important that the AE provisions be reviewed and verified as early in the bid/award process as possible.

When reviewing the AE provisions under 00195.10, here are some things to look for:

1. Confirm that all of the Pay Items listed in 00195.10 are also listed in the Schedule of Items.
 - *A common error is adding or deleting a bid item from the Schedule of Items, and not reflecting that change in 00195.10.*
2. Confirm that the correct estimated quantities have been used to calculate the eligibility for AE. All grades of asphalt should be combined to meet the 150 Ton minimum qualifier. Each grade of asphalt does not need to qualify individually.

If you have any questions regarding the validity of, or the basis used to determine the bid items listed under 00195.10 as eligible for AE, your first contact should be the Specification Writer. Remember, any changes need to be made by addendum and cannot be made after the contract is awarded.

Assuming all 00195.10 issues have been addressed during the bidding period, and after the contract has been awarded to the low bidder, it is time to set up the AE Zero Estimate Worksheet.

SECTION 3 – SETTING UP THE AE ZERO ESTIMATE WORKSHEET

For each project containing the AE provisions in 00195.10, an AE Zero Estimate Worksheet must be customized with the project-specific information.

3-1 Filling out the AE Zero Estimate Worksheet

The AE Worksheet is posted on the ODOT Construction Section Forms website. Be sure to download this form from the website each time you set up the worksheet for a new project to get the most current version. Save the worksheet on your computer.

Open the tab on the bottom of the Workbook labeled “Asph Esc – Zero Est”. Complete the AE Zero Estimate Worksheet by entering the required information in the blue-shaded fields as follows:

Project Name – Enter the project name as shown on the Special Provisions.

Contract Number – Enter the 5-digit contract number shown on the Special Provisions (C12345).

Adjustment Item – This field will automatically fill in with “Zero Estimate”. You cannot overwrite this field.

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Current Date – This field will automatically fill in with the current date and time. You cannot overwrite this field.

Base Price Month and Year – You will need to enter the month and year for the Asphalt Base Price. This will be the month immediately preceding the month of the bid opening date. The bid date is shown in the bottom right-hand corner of the Special Provisions cover page. You can also obtain the bid opening date for the project on the ODOT Procurement Office website at:

[ODOT Procurement Office - Construction Contracting Section 2010 Bid Tabulations](http://www.odot.gov/procurement/contracting/2010/bidtabulations)

Base Asphalt Cement Material Price (Base) – The Base Asphalt Cement Material Price (Base) is the Monthly Asphalt Cement Material Price (MACMP) published on the Agency website for the month immediately preceding the month of the bid opening date. To find this value, pull up the MACMP posted on the ODOT Specifications Unit, Estimating, at:

http://www.oregon.gov/ODOT/HWY/ESTIMATING/docs/asphalt_fuel_prices/macmp_5-10.pdf

**OREGON DEPARTMENT OF TRANSPORTATION
MONTHLY ASPHALT CEMENT MATERIAL PRICE (MACMP) - SPECIAL
POSTING FOR MAINTANANCE OLD CALCULATION METHOD USED UP TO
JUNE 2009**

| ENGLISH | | PUBLISH MONTH | METRIC | |
|-------------------------|-------------------|----------------|-------------------------|-------------------|
| POTEN PACIFIC NORTHWEST | POTEN BOISE IDAHO | | POTEN PACIFIC NORTHWEST | POTEN BOISE IDAHO |
| \$488.00 | \$575.00 | January 2009 | \$537.00 | \$634.00 |
| \$477.00 | \$563.00 | February 2009 | \$526.00 | \$620.00 |
| \$463.00 | \$561.00 | March 2009 | \$510.00 | \$618.00 |
| \$458.00 | \$575.00 | April 2009 | \$505.00 | \$634.00 |
| \$426.00 | \$544.00 | May 2009 | \$469.00 | \$599.00 |
| \$441.00 | \$503.00 | June 2009 | \$486.00 | \$554.00 |
| \$455.00 | \$490.00 | July 2009 | \$502.00 | \$540.00 |
| \$455.00 | \$490.00 | August 2009 | \$502.00 | \$540.00 |
| \$399.00 | \$490.00 | September 2009 | \$440.00 | \$540.00 |
| \$404.00 | \$468.00 | October 2009 | \$448.00 | \$510.00 |
| \$433.00 | \$463.00 | November 2009 | \$477.00 | \$510.00 |
| \$449.00 | \$463.00 | December 2009 | \$495.00 | \$510.00 |
| \$452.00 | \$485.00 | January 2010 | \$499.00 | \$541.00 |
| \$465.00 | \$500.00 | February 2010 | \$513.00 | \$551.00 |
| \$473.00 | \$500.00 | March 2010 | \$521.00 | \$551.00 |
| | | April 2010 | | |

If the project had a bid opening date of March 15, 2009, the Base Asphalt Cement Material Price (Base) would be the MACMP for February, 2009 of \$477.00 for the Potent Pacific Northwest Index, and \$563.00 for the Potent Boise Idaho Index. You will need to determine which Index applies to the project. If any portion of the project is in District 13 or 14, use the Potent Boise Index. All other projects will use the Potent Pacific Northwest Index. Enter this value exactly as shown on the MACMP sheet. For this example we will assume no part of the project is in either District 13 or 14, and we will use the Potent Pacific Northwest Index value of \$477.00.

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Prepared By / Date – The person completing the AE Zero Estimate Worksheet will need to sign and date the worksheet after completion.

Reviewed By / Date – As with any formal pay document, the AE Zero Estimate Worksheet must be checked by a second person for data entry. The reviewer/checker will need to sign and date the worksheet.

Bid Item – Enter the bid item number for the first item of work listed under 00195.10(d). For an example, let's use the item of work shown in Example 1-1: PG 70-22 Asphalt in HMAC.

Group No. – The group number for each bid item of work will be shown on the monthly progress estimate in the Contract Payments System (CPS). You will need to look there to find this information. Some bid items may have multiple group numbers. If this is the case, you will need to make a separate line entry for each bid item group number. For this exercise, we are only using group 011.

Description – Enter the bid item description. Try to match the bid item description as shown in the Schedule of Items as closely as you can. The field size is limited, so some abbreviations may be required.

Unit Price – Enter the unit price for each pay item as listed on the Schedule of Items. For this example we will use \$410/Ton.

If the bid item has additional group numbers, continue entering the same information on separate lines for each group number.

Group No. – You will need to manually enter each of the group numbers used in the bottom portion of the worksheet in the Group No. field at the top right-hand corner of the worksheet. For this example, we used group number "011".

Asphalt Base Price Range – This field will automatically calculate the Asphalt Base price range. This is $\pm 5\%$ from the Asphalt Base Price (Base). Any monthly asphalt prices falling outside this range, either "+" or "-", will require an adjustment be made on any eligible bid item work performed that month. If the MACMP stays within the range, then no adjustment for that month will be required.


Comments – This field is for use by the PM staff to enter any descriptive comments needed.

RAS Review / Date - The Region Assurance Specialist (RAS) will need to review the AE Zero Estimate Worksheet, and sign and date the worksheet. The Zero Estimate Worksheet is the basis on which all AE adjustments are made so it is critical that it be checked for accuracy and completeness.

At this point, the AE Zero Estimate Worksheet is complete, and the first AE adjustment can now be calculated. Be sure to file the electronic worksheet, and print out a hard copy to place in the project Adjustment file. Also print out a copy of the MACMP sheet showing the value used and attach it to the AE Zero Estimate Worksheet.

Once completed, the AE Zero Estimate Worksheet will look like this:

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| ASPHALT (ENGLISH 5%) ZERO ESTIMATE | | | | | | | |
|--|--|--------------------------|------------|---|-----------------------------|----------------------------------|------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR ZERO ESTIMATE | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | |  | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | | 011 | | |
| Adjustment Item | ZERO ESTIMATE | | | | | | |
| Current Date: | 10/4/2010 11:23 | | | | | | |
| Base Price Month & Year | February, 2009 | | | | Index (Pacific NW or Boise) | Pacific NW | |
| Asphalt Base Price | \$477.00 | | | | Asphalt Base Price Range | \$453.15 | \$500.85 |
| PREPARED BY | DATE | | | | Comments | Bid opening date: March 15, 2009 | |
| <i>John Smith</i> , CAS | 4-2-09 | | | | | | |
| REVIEWED BY | DATE | | | RAS REVIEW | DATE | | |
| <i>Stacy Obliger</i> , QCCS | 4-3-09 | | | <i>Mark Stevens</i> , RAS | 4-3-09 | | |
| ASPHALT (ENGLISH 5%) ZERO ESTIMATE | | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Contract Number | C14138 | Adjustment Item | ZERO ESTIMATE |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit | |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | | | Ton | |

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SECTION 4 – MONTHLY ASPHALT ESCALATION/DE-ESCALATION ADJUSTMENTS

Typically the AE adjustment will be the last item added to the monthly pay estimate each month. Any adjustments made, either “+” or “-”, will be dependent on the MACMP and the pay quantities for the associated bid items.

It will be necessary for the monthly progress estimate to include all bid items and CCO work before you begin to calculate the AE adjustment.

The first time you process an AE adjustment, you will open the “AE 6700A” worksheet at the bottom of the AE workbook.

Once you open this worksheet you will notice that all of the information you entered on the AE Zero Estimate Worksheet has automatically transferred over. Again, you will only be entering data into the dark blue shaded fields.

Here is what AE 6700A will look like before you enter any data:

| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700A | | | | | | | |
|--|--|--------------------------|------------|--------------------------------|----------------------|------------------|-------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700A | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Group No. | Total Tons for Group | Total Adjustment | |
| Contract No. | C14138 | | | 011 | 0.00 | \$0.00 | |
| Adjustment Item | 6700A | | | | 0.00 | \$0.00 | |
| Current Date: | 10/4/2010 11:25 | | | | 0.00 | \$0.00 | |
| Base Price Month & Year | February, 2009 | | | Index (Pacific NW or Boise) | Pacific NW | | |
| Asphalt Base Price | \$477.00 | | | Asphalt Base Price Range | \$453.15 | \$500.85 | |
| Est. Number | | | | INSERT REVISION COMMENTS BELOW | | | |
| Est. Month | | | | | | | |
| Current Average Asphalt Price | | | | | | | |
| PREPARED BY | | | DATE | | | | |
| REVIEWED BY | | | DATE | | | | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700A | | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Contract Number | C14138 | Adjustment Item | 6700A |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit | |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | | 0.00000 | Ton | |

Enter the following information on AE 6700A:

Est. Number – Let’s assume for this example that you are on Estimate #3. Enter “3” in this field.

Est. Month – Enter the month in which the work was performed; not the month the estimate is completed. Let’s assume the project was bid, awarded and First Note issued in March, 2009. Estimate #1 would be Estimate month March (work performed in March). The Estimate #2 would Estimate month April (work performed in April). For this exercise, we will use Estimate #3, Estimate month May. Enter

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“May 2009” in this field. Remember, you may be working on the estimate during the first few days of June, 2009, but the estimate month, and the month in which the work was performed, will be May 2009.

Current Average Asphalt Price – You will need to pull the current asphalt cement materials value from the ODOT website at:

http://www.oregon.gov/ODOT/HWY/ESTIMATING/asphalt_fuel.shtml#Asphalt

Enter the MACMP shown for May, 2009, which will be \$426.00. Remember to enter the price exactly as shown. Print out a hard copy of the MACMP sheet and attach to the AE adjustment worksheet.

At this point you will need to look to see if the MACMP (\$426.00) falls within the Asphalt Base Price Range shown on AE 6700A - \$453.15 - \$500.85:

- If the MACMP **does** fall within the price range, or if no eligible bid item work was performed during the month, then no monthly AE adjustment will be required for this month. You will need to process a “NO ADJUSTMENT” worksheet – Skip ahead to **SECTION 5 – NO ADJUSTMENT WORKSHEET**.
- If the MACMP **does not** fall within the price range and, if eligible bid item work has been performed, you will need to continue processing the AE adjustment for this month. This means that the MACMP has gone either 5% above or below the Asphalt Cement Material Base Price and the Contractor will be subject to either a “+” or “-” adjustment.

Amount – Enter the dollar amount paid during the estimate month for each of the eligible asphalt cement bid items. This information is taken from the final monthly progress estimate. You are entering the total dollar amount paid for each eligible bid item - not the “units” completed – just the total dollar amount.

The AE 6700A worksheet will automatically calculate the total adjustment due the Contractor separated out by group number. At this point, your AE 6700A adjustment worksheet will look like this:

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| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700A | | | | | | |
|--|--|-------------------------|------------|--|----------------------|------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700A | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | 011 | 125.00 | -\$3,393.75 |
| Adjustment Item | 6700A | | | | 0.00 | \$0.00 |
| Current Date: | 10/4/2010 11:27 | | | | 0.00 | \$0.00 |
| Base Price Month & Year | February, 2009 | | | | 0.00 | \$0.00 |
| Asphalt Base Price | \$477.00 | | | Index (Pacific NW or Boise) | Pacific NW | |
| Est. Number | 3 | | | Asphalt Base Price Range | \$453.15 | \$500.85 |
| Est. Month | May, 2009 | | | INSERT REVISION COMMENTS BELOW | | |
| Current Average Asphalt Price | \$426.00 | | | <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | | |
| PREPARED BY | | | DATE | | | |
| REVIEWED BY | | | DATE | | | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700A | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Contract Number | C14138 | Adjustment Item |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit |
| 0460 | 011 | PG 70-22 Asphalt in HMA | \$410.00 | \$51,250.00 | 125.00000 | Ton |

As you can see in this example, the AE adjustment is negative because the MACMP was more than 5% below the base price.

You will now need to print out the AE 6700A adjustment worksheet. The person preparing the adjustment will need to sign and date the document. Be sure to attach a copy of the MACMP sheet to the AE adjustment worksheet. The AE adjustment worksheet, which is now the “Source document” or “paynote” for the adjustment, will need to be checked by a second person. The reviewer/checker will also need to sign and date the document.

The AE Adjustment is now ready to be entered into CPS under the 6000 series. (*Reference the CPS Manual, and The ODOT Construction Manual, Chapter 25 – Contractor Payments*). Be sure to enter it as 6700A to correspond with the paynote. Remember to enter the AE adjustment for each group number separately. Use the following naming convention when entering the AE adjustment in CPS:

- **Asphalt Escalation, May 2009** – Use if the adjustment is positive (escalation)
- **Asphalt De-Escalation, May 2009** – Use if the adjustment is negative (de-escalation)


The AE Workbook only has 26 tabs: 6700A – 6700Z. If you need more worksheets, you will need to start a new AE Workbook, and rename the AE adjustment tabs as “6701A – 6701Z”. If you need assistance with this task, please contact either the RAS, or the contact person identified at the beginning of these instructions.

A very nice feature of the AE Workbook is the “AE SUMMARY” Tab. This summary page will automatically summarize the AE adjustments completed each month. (**NOTE:** Normally, there would have already been AE worksheets for estimates 1 and 2, but for this example we are showing the first

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AE adjustment being paid on estimate #3). This is what the AE Summary Sheet should look like after you have completed AE 6700A and 6700B:

| ASPHALT (ENGLISH 5%) SUMMARY SHEET | | |
|---|---|--|
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | |
| Contract No. | C14138 | |
| Current Date: | 10/4/2010 11:27 | |



| 6700A | | |
|--------------------|----------------------|------------------|
| Est. Number | 3 | |
| Est. Month | May, 2009 | |
| Group No. | Total Tons for Group | Total Adjustment |
| 011 | 125.00 | (\$3,393.75) |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| TOTALS: | 125.00 | (\$3,393.75) |


| 6700B | | |
|--------------------|----------------------|------------------|
| Est. Number | 4 | |
| Est. Month | June, 2009 | |
| Group No. | Total Tons for Group | Total Adjustment |
| 011 | 81.00 | (\$984.15) |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| | 0.00 | \$0.00 |
| TOTALS: | 81.00 | (\$984.15) |

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**SECTION 5 – NO MONTHLY ASPHALT ESCALATION/DE-ESCALATION
ADJUSTMENT**

If the MACMP **does** fall within the price range, or if no eligible bid item work was performed during the month, then no monthly AE adjustment will be required for this month. However, you will still be required to process a “NO ADJUSTMENT” worksheet. By completing an AE worksheet for each month, either an adjustment or a no-adjustment paynote, you are verifying that the AE provisions were reviewed and calculated each month during the life of the contract.

Pull up the NO ADJUSTMENT worksheet from the tab at the bottom of the AE Workbook. The blank No Adjustment worksheet will look like this:

| ASPHALT (ENGLISH 5%) NO ADJUSTMENT ITEM FOR EST # | | | | | | |
|---|--|--------------------------|---|--------------------------|-----------------------------|-------------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR NO ADJUSTMENT | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | |  | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | 011 | 0.00 | \$0.00 |
| Adjustment Item | NO ADJUSTMENT | | | | 0.00 | \$0.00 |
| Current Date: | 10/4/2010 11:48 | | | | 0.00 | \$0.00 |
| Base Price Month & Year | February, 2009 | | | | 0.00 | \$0.00 |
| Asphalt Base Price | \$477.00 | | | | 0.00 | \$0.00 |
| Est. Number | | | | | 0.00 | \$0.00 |
| Est. Month | | | | | | |
| Current Average Asphalt Price | | | | | | |
| PREPARED BY | | | | | | |
| | DATE | | | | | |
| REVIEWED BY | | | | | | |
| | DATE | | | | | |
| ASPHALT (ENGLISH 5%) NO ADJUSTMENT ITEM FOR EST # | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | Contract Number | C14138 | Adjustment Item | NO ADJUSTMENT |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | | 0.00000 | Ton |

REASON FOR NO ADJUSTMENT ITEM THIS MONTH

CURRENT AVERAGE ASPHALT PRICE WITHIN NON-ADJUSTMENT RANGE

NO WORK PERFORMED ON ELIGIBLE BID ITEMS

Again, all of the data you entered on the AE Zero Estimate Worksheet is automatically transferred into the No Adjustment Worksheet. You will only be entering the data into the dark blue shaded fields.

For this example, let's enter information for the next pay estimate (4):

Estimate Number - Enter the estimate number. For this example, we will use estimate 4.

Estimate Month – Enter the estimate month. Remember, this is the month in which the work was performed, not the month in which it is processed, or uploaded. For this example, we will use June, 2009.

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Current Average Asphalt Price – Enter the MACMP Value listed on the ODOT website for the month of June, 2009. In this case it is \$441.00. Print out a copy of the MACMP sheet to attach to the No Adjustment worksheet.

Dollar Amount – Filling in this field is optional since no payment is being made. If you choose to populate this field, you would enter the amount of eligible bid item work performed, in dollars. For this example, we will assume that no eligible bid item work was performed for the estimate month. Therefore you would enter “\$0” in the dollar about paid field for each eligible bid item. Then check the “NO WORK PERFORMED ON ELIGIBLE BID ITEMS” box.

Print out the No Adjustment worksheet. The person preparing the adjustment will need to sign and date the document. A second person will need to check the document and sign/date when their review is complete. You will notice that there is no box included for the RAS signature and date. Since there are no pay calculations to check, the RAS does not need to sign/date the document. The RAS will review to ensure the No Adjustment worksheet is on file and may initial the document, but a signature is not required.

The hard copy No Adjustment worksheet will need to be kept with the AE Adjustments along with the AE 6700 paynotes.

**** NOTE: Do not enter “No Adjustment” worksheets in CPS – These are \$0 pay items and cannot be entered. Place a hard copy in the adjustment file only!**

The completed No Adjustment worksheet should look like this:

| ASPHALT (ENGLISH 5%) NO ADJUSTMENT ITEM FOR EST # 4 | | | | | | | |
|---|--|--------------------------|------------|--------------------------|-----------|----------------------|------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR NO ADJUSTMENT | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | | 011 | 0.00 | \$0.00 |
| Adjustment Item | NO ADJUSTMENT | | | | | 0.00 | \$0.00 |
| Current Date: | 10/4/2010 11:46 | | | | | 0.00 | \$0.00 |
| Base Price Month & Year | February, 2009 | | | | | 0.00 | \$0.00 |
| Asphalt Base Price | \$477.00 | | | | | 0.00 | \$0.00 |
| Est. Number | 4 | | | | | | |
| Est. Month | June, 2009 | | | | | | |
| Current Average Asphalt Price | \$441.00 | | | | | | |
| PREPARED BY | | | DATE | | | | |
| | <i>John Smith, CAS</i> | | | 7-2-09 | | | |
| REVIEWED BY | | | DATE | | | | |
| | <i>Stacy Obliger, QCCS</i> | | | 7-3-09 | | | |
| ASPHALT (ENGLISH 5%) NO ADJUSTMENT ITEM FOR EST # 4 | | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Contract Number | C14138 | Adjustment Item | NO ADJUSTMENT |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit | |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | \$0.00 | 0.00000 | Ton | |

REASON FOR NO ADJUSTMENT ITEM THIS MONTH

CURRENT AVERAGE ASPHALT PRICE WITHIN NON-ADJUSTMENT RANGE

NO WORK PERFORMED ON ELIGIBLE BID ITEMS

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SECTION 6 – MAKING CHANGES TO A PREVIOUSLY ENTERED/PAID ADJUSTMENT

There may be instances where you will need to make an adjustment to a previously entered / paid AE Adjustment. If there is an overpayment or underpayment discovered for any of the eligible AE bid items, you will need to correct the eligible bid item quantity in CPS, the StatSpec will need to be corrected, and the AE Adjustment needs to be corrected (if one was made).

There are two different methods you can use to correct a previously paid AE Adjustment:

METHOD #1 - Delete (zero out) the previously paid AE Adjustment, and recalculate the adjustment using the corrected bid item quantity. Example:

An AE Adjustment is prepared for work completed in June 2009. A total of 78 tons of PG 70-22 Asphalt in HMAC is calculated, and a negative adjustment of **-\$947.70** was entered into CPS for estimate #4:

Original AE Adjustment 6700B

| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | |
|--|--|--------------------------|-----------------|--------------------------------|----------------------|------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700B | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | 011 | 78.00 | -\$947.70 |
| Adjustment Item | 6700B | | | | 0.00 | \$0.00 |
| Current Date: | 10/4/2010 11:56 | | | | 0.00 | \$0.00 |
| Base Price Month & Year | February, 2009 | | | Index (Pacific NW or Boise) | Pacific NW | |
| Asphalt Base Price | \$477.00 | | | Asphalt Base Price Range | \$453.15 | \$500.85 |
| Est. Number | 4 | | | INSERT REVISION COMMENTS BELOW | | |
| Est. Month | June, 2009 | | | | | |
| Current Average Asphalt Price | \$441.00 | | | | | |
| PREPARED BY | DATE | | | | | |
| <i>John Smith</i> , CAS | 7-2-09 | | | | | |
| REVIEWED BY | DATE | | | | | |
| <i>Stacy Obliger</i> , QCCS | 7-3-09 | | | | | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | Contract Number | C14138 | Adjustment Item | 6700B |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | \$31,980.00 | 78.00000 | Ton |

In the month of July an error is discovered in the Asphalt calculations, which results in an additional quantity of PG 70-22 being paid for (3 Tons). The amount paid to the Contractor on Estimate #5 for the 3 Tons of PG 70-22 placed in June 2009 is \$1,230.00. In this case you will need to make corrections to the bid item for PG 70-22 Asphalt in HMAC in CPS, make the necessary adjustments to StatSpec, and make the correction to the AE Adjustment item 6700B.

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For this method of making an AE Adjustment correction, you will make the corrections required to the AE Adjustment item 6700B in the AE Worksheet, and include an explanation in the revision comment box. As you can see, when the new amount of \$33,210 is entered, it changes the AE Adjustment 6700B from ~~-\$947.70~~ to ~~-\$984.15~~:

Revised AE Adjustment 6700B

| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | |
|--|--|--------------------------|------------|---|----------------------|------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700B | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | 011 | 81.00 | -\$984.15 |
| Adjustment Item | 6700B | | | | 0.00 | \$0.00 |
| Current Date: | 10/4/2010 11:53 | | | | 0.00 | \$0.00 |
| Base Price Month & Year | February, 2009 | | | | 0.00 | \$0.00 |
| Asphalt Base Price | \$477.00 | | | Index (Pacific NW or Boise) | Pacific NW | |
| Est. Number | 4 | | | Asphalt Base Price Range | \$453.15 | \$500.85 |
| Est. Month | June, 2009 | | | INSERT REVISION COMMENTS BELOW | | |
| Current Average Asphalt Price | \$441.00 | | | 8-2-09: AE Adjustment 6700B amount corrected. Original 6700B deleted on Est #5. Adj 6700B recalculated to include additional 3 Tons of PG 70-22. Recalculated AE Adjustment 6700B posted on Est #5. | | |
| PREPARED BY | | | DATE | | | |
| | John Smith, CAS | | 8-2-09 | | | |
| REVIEWED BY | | | DATE | | | |
| | Stacy Obliger, QCCS | | 8-3-09 | | | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Contract Number | C14138 | Adjustment Item |
| | | | | | | 6700B |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | \$33,210.00 | 81.00000 | Ton |

For auditing purposes, you will need to make sure you clearly show exactly what took place when the correction was made. Even though the original 6700B paynote is deleted, you should clearly mark it as "Deleted" and keep it in the adjustment file with the new 6700B paynote. Mark the deleted paynote something like this:

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Deleted AE Adjustment 6700B

DELETED

| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | |
|--|--|--------------------------|-----------------|--|----------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700B | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Group No. | Total Tons for Group |
| Contract No. | C14138 | | | 011 | 78.00 |
| Adjustment Item | 6700B | | | | Total Adjustment |
| Current Date: | 7/12/2010 15:31 | | | | -\$947.70 |
| Base Price Month & Year | February, 2009 | | | | \$0.00 |
| Asphalt Base Price | \$477.00 | | | | \$0.00 |
| Est. Number | 4 | | | | \$0.00 |
| Est. Month | June, 2009 | | | | \$0.00 |
| Current Average Asphalt Price | \$441.00 | | | | \$0.00 |
| PREPARED BY | DATE | | | Index (Pacific NW or Boise) | Pacific NW |
| John Smith, CAS | 7-2-09 | | | Asphalt Base Price Range | \$453.15 \$500.85 |
| REVIEWED BY | DATE | | | INSERT REVISION COMMENTS BELOW | |
| Stacy Obliger, QCCS | 7-3-09 | | | <p>8-1-09: Paynote deleted on Est #5. Corrected 6700B paid on Est #5 (+ 3 Tons PG 70-22 and -\$30.45) John Smith, CAS 8-1-09</p> | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | Contract Number | C14138 | Adjustment Item |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | \$31,980.00 | 78.00000 |
| | | | | | Unit |
| | | | | | Ton |

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METHOD #2 – In this method for correcting an AE Adjustment, you will not delete the original AE Adjustment paynote, but just correct it. Example:

An AE Adjustment is prepared for work completed in June 2009. A total of 78 tons of PG 70-22 Asphalt in HMAC is calculated, and a negative adjustment of **-\$947.70** was entered into CPS for estimate #4:

Original AE Adjustment 6700B

| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | |
|--|--|--------------------------|-----------------|--------------------------------|----------------------|------------------|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700B | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | | Group No. | Total Tons for Group | Total Adjustment |
| Contract No. | C14138 | | | 011 | 78.00 | -\$947.70 |
| Adjustment Item | 6700B | | | | 0.00 | \$0.00 |
| Current Date: | 10/4/2010 11:50 | | | | 0.00 | \$0.00 |
| Base Price Month & Year | February, 2009 | | | Index (Pacific NW or Boise) | Pacific NW | |
| Asphalt Base Price | \$477.00 | | | Asphalt Base Price Range | \$453.15 | \$500.85 |
| Est. Number | 4 | | | INSERT REVISION COMMENTS BELOW | | |
| Est. Month | June, 2009 | | | | | |
| Current Average Asphalt Price | \$441.00 | | | | | |
| PREPARED BY | | | DATE | | | |
| <i>John Smith, CAS</i> | | 7-2-09 | | | | |
| REVIEWED BY | | | DATE | | | |
| <i>Stacy Obliger, QCCS</i> | | 7-3-09 | | | | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | Contract Number | C14138 | Adjustment Item | 6700B |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit |
| 0460 | 011 | PG 70-22 Asphalt in HMAC | \$410.00 | \$31,980.00 | 78.00000 | Ton |

In the month of July an error is discovered in the Asphalt calculations, which results in an additional quantity of PG 70-22 being paid for (3 Tons). The amount paid to the Contractor on Estimate #5 for the 3 Tons of PG 70-22 placed in June 2009 is \$1,230.00. In this case you will need to make corrections to the bid item for PG 70-22 Asphalt in HMAC in CPS, make the necessary adjustments to StatSpec, and make the correction to the AE Adjustment item 6700B.

So, for this method of correcting an AE Adjustment, you will create a 6700B-1 paynote which is calculated using the correct amount of \$33,210.00. This calculates a total of 81 tons. The adjustment now calculates at **-\$984.15**. The adjustment to the Contractor under the original 6700B adjustment item was **-\$947.70**. The difference between the two is **-\$36.45**. This is the amount that will need to be posted on estimate #5, under AE Adjustment Item 6700B-1.


NOTE: You will not be able to change the adjustment number in the worksheet itself. You will need to hand-write the "-1" after the 6700B label on the printed copy of the adjustment.

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Once you make the correction to 6700B in the worksheet, the original information will be overwritten and only the revised 6700B information will show up on the AE Summary Sheet. Therefore it is very important that you make sure you have printed copies of both the original 6700B and the revised 6700B-1 adjustment paynotes to show exactly what changes were made.

Remember to label the revised 6700B adjustment as "6700B-1"

REVISED AE Adjustment 6700B

| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B-1 | | | | | | | |
|--|--|-------------------------|--|---|----------------------|------------------|--|
| COMPLETE INFORMATION FOR BLUE SHADED CELLS | | | | TOTALS FOR 6700B-1 | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | |  | Group No. | Total Tons for Group | Total Adjustment | |
| Contract No. | C14138 | | | 011 | 81.00 | -\$984.15 | |
| Adjustment Item | 6700B-1 | | | | 0.00 | \$0.00 | |
| Current Date: | 7/12/2010 15:37 | | | | 0.00 | \$0.00 | |
| Base Price Month & Year | February, 2009 | | | | 0.00 | \$0.00 | |
| Asphalt Base Price | \$477.00 | | | Index (Pacific NW or Boise) | Pacific NW | | |
| Est. Number | 4 | | | Asphalt Base Price Range | \$453.15 | \$500.85 | |
| Est. Month | June, 2009 | | | INSERT REVISION COMMENTS BELOW | | | |
| Current Average Asphalt Price | \$441.00 | | | 8-2-09: AE Adj 6700B amount corrected. Original 6700B adj amount of \$31,920 (78 tons) corrected to \$33,210 (81 tons) on Est #5. Difference of -\$36.45 calculated using June 2009 Asphalt Price. AE Adjustment 6700B-1 posted on Est #5 for July, 2009. | | | |
| PREPARED BY | DATE | | | | | | |
| <i>John Smith, CAS</i> | 8-2-09 | | | | | | |
| REVIEWED BY | DATE | | | | | | |
| <i>Stacy Obliger, QCCS</i> | 8-3-09 | | | | | | |
| ASPHALT (ENGLISH 5%) ADJUSTMENT ITEM 6700B | | | | | | | |
| Project Name | Garden Valley Blvd: Stewart Parkway - WCL (Roseburg) | | Contract Number | C14138 | Adjustment Item | 6700B-1 | |
| Bid Item | Group No. | Description | Unit Price | Dollar Amount | Quantity | Unit | |
| 0460 | 011 | PG 70-22 Asphalt in HMA | \$410.00 | \$33,210.00 | 81.00000 | Ton | |

If you have any questions about how to correctly post a correction to a previously-paid AE Adjustment, contact your RAS. The RAS will be able to guide you through the process and help you decide which revision method, either Method #1 or Method #2, makes the most sense to use given the project-specific information.

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**SECTION 7 – MAKING CHANGES TO AE PROVISIONS AFTER CONTRACT
AWARD**

Changes may be made to Section 00195.10 after the Contract has been awarded by CCO. However, if the Project contains any federal funds, these changes will be eligible for federal participation **only** under the following circumstances:

a. If the Contract contains the 00744 – Minor HMAC Pavement specification, and also includes the 00195.10 provisions with an estimated quantity for any of the eligible Pay Items, but is missing the list of eligible Pay Items, the Pay Items may be added to the Contract by CCO and will be eligible for federal participation.

b. If the estimated quantity is less than the minimum qualifier of 150 tons of liquid asphalt, the eligible Pay Item(s) may still be added provided the 00195.10 provision and estimated quantity as noted above is in the original Contract.

c. If an eligible Pay Item listed in 00195.10 does not match the Pay Item listed in the Schedule of Items, the Pay Item may be corrected by CCO and be eligible for federal participation.

Example: 00195.10 lists PG 64-22 Asphalt in HMAC, but the Schedule of Items lists the Pay Item as PG 70-22 Asphalt in HMAC. The CCO would correct the Pay Item in 00195.10 to PG 70-22 Asphalt in HMAC.

d. If an eligible Pay Item (PG 64-22), which was eligible for AE under 00195.10 is replaced via CCO by a similar Pay Item (PG 70-22), the new Pay Item will also be eligible for AE and federal participation. The condition for eligibility is that the replacement Pay Item must be the same type of Work as the Pay Item being replaced.

e. If **new Work** items are added to the Contract by CCO, and the Work items were not included in the original Contract, but the 00195.10 provisions are included in the Contract, the Work items being added by CCO will be eligible for AE **if** the Work items meet the minimum qualifiers and the Work will not be done in a short period of time. The new Work would be eligible for federal participation if all conditions are met, and could use either the existing Base Asphalt Cement Price (“Base Price”) or a new Base Price effective on the date of execution of the CCO, depending upon project-specific circumstances.

Remember that AE is intended to adjust for the fluctuations in asphalt cement price between the time the Work is bid and when the Work is completed. When providing quotes for CCO Work, the Contractor essentially bids the Work at the time of the CCO. Therefore, assuming that the CCO Work will not be performed in a short time period, any AE that would apply to the CCO Work would need to start at the time the CCO is executed and stop when the CCO Work is completed.

The following changes to 00195.10 are **not eligible** for federal participation:

a. If the original Contract does not include the 00195.10 AE provisions, and these provisions are later added to the Contract by CCO, none of the AE payments are eligible for Federal participation. Alternate funding must be used for these payments.

b. If an item of Work is typically eligible for AE, but is not listed in the Contract under 00195.10, the item of Work can be added to the Contract by CCO, but will not be eligible for Federal participation. Alternate funding must be used to pay for any AE payments related to this item of Work.

Example: If the Pay Item “Recycling Agent” was included in the Schedule of Items, and the total estimated asphalt cement quantity for the Project met the minimum qualifier of 150 tons), but the Pay

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Item "Recycling Agent" did not get listed under 00195.10, it can be added to the Contract by CCO, but must be coded as non-participating and paid for with state or local funds.

If you have any questions regarding whether or not a change made to 00195.10 will be eligible for federal participation, or if you encounter a situation that does not exactly fit one of the scenarios listed above, contact the Region Assurance Specialist (RAS), or the Contract Administration Unit for guidance **before** making the change.