

## Payment Adjustment for Changes to the Steel Price Index (SP199FXX)

Comments received by TCP			
Comment ID	Organization	Comment	Response
1	ORBA	What happens if some subcontractors want to opt out and others don't?	Only the prime contractor can opt out based on each steel type identified in Table 1. The prime contractor can opt out on behalf of the subcontractors.
2	ORBA	Does this apply to pre-stressing strand and reinforcing steel for prestressed girders, and reinforcing steel for other precast concrete products such as concrete culverts?	The SP does not apply to pre-cast components. The SP Notes to Designer will be updated to provide this clarification.
3	ORBA	How do we ensure that all metal piles are included? For example: Helical Piles, micro piles, etc.  Should there be a generic definition of metal products?	The payment adjustment for changes in the steel price index is applicable only to the steel types currently specified and defined in the SP.  MTO may consider other items for future payment adjustments, learning and building from the initial implementation of this SP.

4	ORBA	It would be helpful if the specification provided a more specific website addresses and some direction as to how to find the steel price index.	The Industrial Product Price Index (IPPI) will be the reference index for this adjustment. The reference index will be published on the Registry, Appraisal and Qualification System (RAQS) under the Contract Bulletin.
5	ORBA	Not sure how the steel identified in table 1 will be populated.  What happens if the steel we are considering to purchase is not in the list?	The quantity for the steel identified in Table 1 will be based on design take-off for the steel type noted in the SP.  Only the steel listed in Table 1 will be considered for this adjustment.
6	ORBA	The payment adjustment for reinforcing steel bars, and piles shall be calculated and applied based on the month of installation into the Work.  Why is this only for rebar and piles?	Rebar and piles price adjustment will be modified to be based on the date the steel is delivered to the site. The decision was made with careful consideration of administrative burdens balanced with the risk assessment.
7	ORBA	The definition for R includes values for steel that can vary.  Should we identify an index or something like that to be reference as a value of material?	The Industrial Product Price Index is the reference index to be used for this adjustment.
8	ORBA	What about other steel like Girders, expansion joints, plates, poles, sign structures, steel beam guiderail, etc.?	Refer to response to comment 3.
9	ORBA	Why is stainless steel not included?	Refer to response to comment 3.

10	ORBA	Why is the adjustment only made after a greater than or equal to 10% difference?	The 10% criterion has been chosen with careful consideration of administrative burdens balanced with the risk assessment.
11	ORBA	How is the reference price (R) determined?	The reference price is the average price of the steel type based on the IPPI on January 2020, equal to 100.
12	ORBA	<p>This is written well for H-pile, or predesigned structural steel (WWF beams) where the bid item is in “tonne”. Note that bid items for supplier designed girder bridges and modular bridges is typically “lump sum”.</p> <p>How would this be handled?</p>	The tonne for items considered lump sum will be taken from the design quantity and considered to be the maximum tonnes used to determine the price adjustment. The adjustment does not apply to items with steel that are designed by the contractor.
13	ORBA	<p>The reference prices should not be prescribed, and they should be broken down further. Structural Steel, H-Pile, Sheet Pile and Tube Pile have drastically different prices/tonne, there should be a separate reference for each.</p> <p>Also, reinforcement should be broken down into stainless and black. Regarding the prices in the SP, they are not representative of current prices, they are too low.</p> <p>It would be better if we could either accept the prescribed R, or submit a price for these such as what we do with AC. We understand that the SP is trying to capture the raw cost of the material, which we agree should be the same for at least the non-rebar items, but the price movements we see do not support that.</p>	The reference price (R) is to be used in conjunction with IPPI. MTO’s approach is selected based on jurisdiction scans and other broader considerations. The comments provided are noted and appreciated. MTO will monitor the implementation of this SP, and as with other new initiatives will consider this under future updates as applicable.

14	ORBA	WARRANT: Does this not mean that H-Piles, tube piles and sheet piles will now have a supply item?	No changes to existing items are proposed at this time. The warrant was revised to remove the last sentence.
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