

PAYMENT ADJUSTMENT FOR CHANGES IN THE MINISTRY OF TRANSPORTATION'S PERFORMANCE GRADED ASPHALT CEMENT (PGAC) PRICE INDEX FOR COLD IN-PLACE RECYCLING (CIR)

DRAFT Special Provision No. ACPAYADJ - CIR

A payment adjustment shall be applied based on changes to the ministry's performance graded asphalt cement (PGAC) price index unless, the Contract Administrator is notified in writing of the choice to opt out within 5 Business Days of receiving a completed MTO form PH-CC-700, Permission to Start Work. Once opted out of payment adjustments based on the PGAC price index, opting back in shall not be permitted.

The PGAC price index shall be published monthly in the Owner's Contract Bulletin. The PGAC price index shall be used to calculate the amount of the payment adjustment per tonne of new PGAC used in the cold in-place recycling (CIR) accepted into the Work. No PGAC price index payment adjustment shall be applied to the PGAC used in paving repair work.

The PGAC price index is based on the price, excluding taxes, Freight on Board (FOB) the depots in the Toronto area, of PGAC grade PG 58-28 or equivalent. One index shall be used to establish and calculate the payment adjustment for all grades.

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

The payment adjustment for CIR for the month shall be calculated from the following formulas:

I_P	PGAC Payment Adjustment for CIR, PA_{CIR}
$I_P > 1.05 I_{TO}$	$PA_{CIR} = (I_P - 1.05 I_{TO}) \times CIR_{AC}$
$I_P < 0.95 I_{TO}$	$PA_{CIR} = (0.95 I_{TO} - I_P) \times CIR_{AC}$

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

Where:

PA_{CIR} = Payment adjustment for new PGAC used in the CIR, in dollars.

I_{TO} = PGAC price index for the month prior to tender opening, in dollars/tonne.

I_P = PGAC price index for the month in which CIR paving occurs, in dollars/tonne.

CIR_{AC} = Quantity of new PGAC used in the CIR, in tonnes.

CIR_{AC} shall be calculated as follows: $CIR_{AC} = \left(\frac{AC_{CIR}}{100}\right) \times \left(\frac{RD}{100}\right) \times T_{CIR}$

Where:

AC_{CIR} = New PGAC in the CIR as determined by the field results from each subplot, in percent.

RD = Percentage of Residue by Distillation, determined by the test of Residue by Distillation.

T_{CIR} = Tonnage of CIR accepted into the Work during the month for which the payment adjustment was calculated.

T_{CIR} shall be calculated as follows: $T_{CIR} = 0.975 \times BRD_{CIR} \times \left(\frac{T_M}{1000}\right) \times Q_{CIR}$

Where:

BRD_{CIR} = Bulk relative density, in t/m³, determined by field results from each subplot.

T_M = Field-measured thickness of the CIR, in millimetres

Q_{CIR} = Area of CIR placed, in square metres

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

For each month in which a payment adjustment has been established, the quantity of PGAC is calculated using the CIR quantity accepted into the Work and its corresponding PGAC content as determined by field results from each subplot.

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

WARRANT: Always with OPSS 333 Construction Specification for Cold In-Place Recycling

CUSTODIAN: Primary: Construction Contracts Policy Section; Secondary: Pavement Section.