

PAYMENT ADJUSTMENT FOR CHANGES IN THE MINISTRY OF TRANSPORTATION'S PERFORMANCE GRADED ASPHALT CEMENT (PGAC) PRICE INDEX FOR COLD IN-PLACE RECYCLED EXPANDED ASPHALT MIX (CIREAM)

DRAFT Special Provision No. ACPAYADJ - CIREAM

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 cold in-place recycled expanded asphalt mix (CIREAM) 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 CIREAM shall be established for each month in which CIREAM 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 CIREAM tender items.

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

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

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_{CIREAM} = Payment adjustment for new PGAC used in the CIREAM, 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 CIREAM paving occurs, in dollars/tonne.

$CIREAM_{AC}$ = Quantity of new PGAC used in the CIREAM, in tonnes.

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

Where:

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

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

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

Where:

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

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

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

The payment adjustment per tonne applies to the quantity of new PGAC in the CIREAM accepted into the Work during the month for which it is established. The quantity of new PGAC in the CIREAM 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 CIREAM 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 CIREAM paving occurs.

WARRANT: Always with OPSS 335 Construction Specification for Cold In-Place Recycling with Expanded Asphalt

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