

**SPECIAL PROVISION – PRICE ADJUSTMENT CLAUSES
STEEL PRODUCTS**

1.0 GENERAL. Due to increasing demand for steel products worldwide, the scarcity of raw materials, and manufacturing complications, the price of steel has increased dramatically since the year 2003. These changes make uncertain the prices to be quoted for several steel items used for highway construction. This clause provides for adjustments in the price of steel used for the items indicated below.

2.0 ITEMS COVERED - This price adjustment will apply only to the following items:

- 2.1 Reinforcing steels (Specification 601)
- 2.2 Steel Piles (Specification 615)
- 2.3 Guardrail beams and posts (Specification 606, 710)

3.0 GENERAL RULES

- 3.1 No price adjustment will be made until the average period for the covered item increases or decreases in excess of 15 percent of the base index price.
- 3.2 Price adjustment will be prospective only and will apply to covered items in contract work acceptably performed after the effective date of the adjusted item price.
- 3.3 Price adjustment for covered contract pay items will be computed monthly by the Authority after a price adjustment is triggered by a change of the average period price in excess of 15 percent over or under the base index price. The increased payment or deduction will be included in the next monthly payment certification covering work acceptably performed to which price adjustment is applicable.
- 3.4 Once a price adjustment for a covered item is triggered as indicated above, the monthly price adjustment computations and payment will be continued until the work to which it applies is completed.
- 3.5 No upward adjustment in price will be made for items used in work performed during periods for which the Contractor is being charged liquidated damages. If liquidated damages are subsequently reduced by an approved extension of time, then, this price adjustment clause will be applicable to the work performed during the period covered by the authorized time extension.

4.0 BASE INDEX PRICES – The base index prices will be the prices on which price adjustment, either up or down, will be determined for the covered items in the contract. The base index price for each covered item as of the first working day

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of the month on which bids for this project are opened will be determined using the costs provided by steel producers/suppliers in the United States, such as “Steel Services and Supplies, Inc. for reinforcing steel and “Skyline Steel LLC” for steel piles. In case the data are provided by more than one producer/supplier, then the average of the costs will be used.

- 5.0 PRICE ADJUSTMENT COMPUTATION – The quantity of material subject to price adjustment and the applicable adjustment will be determined as indicated below for the various items subject to price adjustment.

5.1 Reinforcing Steel –

The procedure developed by the Authority on an interim basis in September 2004, known as “Metodología para el Ajuste en Precios del Acero de Refuerzo” will be used to determine any adjustments to be made in the price for this item. The data shown in the original version of the procedure shall be updated by the Authority to reflect data corresponding to each new individual project to be bid. This procedure is hereby incorporated by reference into this Special Provision. Copies of the document are available at the Office of Estimates and Bids” (Oficina de Estimados y Subastas).

5.2 Steel Piles –

The procedure developed by the Authority on an interim basis in November 2004, known as “Metodología para el Ajuste en los Precios para Pilotes de Acero”, will be used to determine any adjustments to be made in the price for this item. The data shown in the original version of the procedure shall be updated by the Authority to reflect data corresponding to each new individual project to be bid. This procedure is hereby incorporated by reference into this Special Provision. Copies of the document are available at the Office of Estimates and Bids (Oficina de Estimados y Subastas).

5.3 Guard Rail Beams and Posts –

The procedure developed by the Authority on a interim basis in July 2005, known as “Metodología para Ajuste en Precio de Barreras de Seguridad (Guard Rails)” will be used to determine any adjustments to be made in the price for this item. The data shown in the original version of the procedure shall be updated by the Authority to reflect data corresponding to each new individual project to be bid. This procedure is hereby incorporated by reference into this Special Provision. Copies of the

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document are available at the Office of Estimates and Bids (Oficina de Estimados y Subastas).

- 6.0 ADDED PAY ITEMS – When new pay items include materials covered by this price adjustment clause are added to this contract under an extra work order, the applicable base index prices will be determined by the Authority as of first working day of the month on which the extra work order is agreed upon and will be indicated in the extra work order.

- 7.0 DESIGN CHANGES – The Authority reserves the right to make changes in the design, reduce quantities or eliminate contract items affected by materials covered by this clause, under the terms provided in the General Provisions, when it considers such action to be in the public interest.