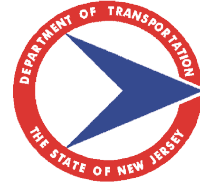


*New Jersey Department of Transportation*  
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## *Baseline Document Change Announcement*

**ANNOUNCEMENT: BDC22S-11**

**DATE: October 14, 2022**

**SUBJECT: Steel Price Adjustment**  
**- Addition of new Subpart to the 2019 Standard Inputs, Subpart 160.03.03.**

New Subpart 160.03.03 has been added to the 2019 Standard Inputs in order to introduce Steel Price Adjustment. This will allow the Department to adjust the paid steel price according to market conditions.

**The following revisions have been incorporated into the 2019 Standard Inputs, SI2019:**

1\*\*\*\*\*1  
COMPLETE AND INCLUDE THE FOLLOWING WHEN A CONTRACT CONTAINS 1,000,000 POUNDS (OR 500,000 POUNDS FOR CONTRACTS WITH A 3 YEAR OR GREATER DURATION FROM AWARD TO COMPLETION) OF A COMBINATION OF THE BELOW ITEMS EXCEPT THAT BEAM GUIDE RAIL, RUB RAIL, OVERHEAD SIGN STRUCTURE AND CANTILEVER SIGN STRUCTURE WILL ALWAYS BE INCLUDED WITHOUT MEETING THE POUND REQUIREMENT.

### **SECTION 160 – PRICE ADJUSTMENTS**

#### **160.03 PROCEDURE**

THE FOLLOWING SUBPART IS ADDED:

#### **160.03.03 Steel Price Adjustment**

2\*\*\*\*\*2

The Department will make a steel price adjustment for Items listed in table 160.03.03-1 using the price index indicated for the Item. This adjustment is based solely on the mill provided steel.

3\*\*\*\*\*3

COMPLETE AND REMOVE ITEMS THAT DO NOT QUALIFY

#### **SME CONTACT – CONSTRUCTION MANAGEMENT**

**Table 160.03.03-1 Steel Price Adjustment Items**

Item	Price Index (BS & MS)	Cost Basis (CB) \$/Lb
STRUCTURAL STEEL	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	
REINFORCEMENT STEEL	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101704	
REINFORCEMENT STEEL, EPOXY- COATED	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101704	
REINFORCEMENT STEEL, GALVANIZED	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101704	
REINFORCEMENT STEEL, STAINLESS	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101704	
CAST-IN-PLACE CONCRETE PILE FURNISHED	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Hot Rolled Steel Bars, Plates and Structural Shapes WPU 101704	
STEEL H-PILE, FURNISHED	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Hot Rolled Steel Bars, Plates and Structural Shapes WPU 101702	
BEAM GUIDE RAIL	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	
RUB RAIL	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	
OVERHEAD SIGN STRUCTURE NO. —	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	
BUTTERFLY SIGN SUPPORT, DMS STRUCTURE NO. ___	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	
CANTILEVER SIGN STRUCTURE NO. ___	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	
CANTILEVER SIGN SUPPORT, DMS STRUCTURE NO. ___	US Dept. of Labor, Bureau of Labor Statistics - Producer Price Index for Semifinished Steel Mill Products WPU 101702	

3\*\*\*\*\*3

For a noted price index, the Department will use the final published price index and will not use preliminary price information.

Price adjustments may result in an increased payment to the Contractor for increases in the price index and may result in a reduction in payment for decreases in the price index.

A steel price adjustment will only be made for price increases when  $\frac{(MS-BS)}{BS} > 10\%$ , and a price adjustment will only be made for price decreases when  $\frac{(BS-MS)}{BS} > 10\%$ .

When the Monthly Steel Price Index is greater than the Benchmark Steel Price Index, the Department will calculate STEEL PRICE ADJUSTMENT using the following formula:

$$S = \frac{[(BS - MS) + (BS \times 0.10)]}{-BS} \times CB \times W$$

When the Monthly Steel Price Index is less than the Benchmark Steel Price Index, the Department will calculate STEEL PRICE ADJUSTMENT using the following formula:

$$S = \frac{[(MS - BS) + (BS \times 0.10)]}{BS} \times CB \times W$$

Where:

S=Steel Price Adjustment (Dollars)

BS=Benchmark Steel Price Index – the steel preliminary price index for the month before the project is bid

MS = Monthly Steel Price Index - the steel price index for the month steel is shipped from the mill

CB = Cost Basis (\$/Lb) – from Table 160.03.03-1

W = Weight of Steel ( Lb)

The Department will post the Monthly Steel Price Index every month on the Department’s website.

With each delivery of steel, submit to the RE documentation from the fabricator or supplier, which details the following information:

1. Weight of the steel shipped from the mill to the fabricator or supplier
2. Date of the shipment
3. Item description and Item number(s) for which the steel is associated.

If the documented steel weight is for more than one Item, provide the RE with the weight attributed to each Item.

Provide the documentation to the RE within 60 days of the date of the shipment. The Department will not make a price adjustment for steel shipped before the bid date.

The Department will make a price adjustment for the Items “STRUCTURAL STEEL” based on the weights listed in Table 160.03.03-2. If the steel for an Item is shipped on dates having different monthly index prices, the Department will proportionately adjust the weight used in the calculation of the price adjustment by multiplying the weight shipped by the ratio of the weight for the Item listed in Table 160.03.03-2 to the sum total of weight shipped for that Item. If the weight of steel estimated for a structure in Table 160.03.03-2 differs from the actual weight by more than 10 percent, the Department will make a price adjustment based on the actual weight.

3\*\*\*\*\*3  
COMPLETE AND INCLUDE THE FOLLOWING

**SME CONTACT – PROJECT MANAGER**

Table 160.03.03-2 Structural Steel Price Adjustment Items		
Structure	Item No.	Weight (Lb)

3\*\*\*\*\*3

The Department will make a price adjustment for the Items OVERHEAD SIGN STRUCTURE and CANTILEVER SIGN STRUCTURE based on the weights listed in Table 160.03.03-3. If the steel for an Item is shipped on dates having different monthly index prices, the Department will proportionately adjust the weight used in the calculation of the price adjustment by multiplying the weight shipped by the ratio of the weight for the Item listed in Table 160.03.03-3 to the sum total of weight shipped for that Item. If the weight of steel estimated for a structure in Table 160.03.03-3 differs from the actual weight by more than 10percent, the Department will make a price adjustment based on the actual weight.

3\*\*\*\*\*3  
COMPLETE AND INCLUDE THE FOLLOWING

**SME CONTACT – PROJECT MANAGER**

**Table 160.03.03-3 Overhead Sign Structure and Cantilever Sign Structure Price Adjustment Items**

Overhead and Cantilever Sign Structure Number	Item No.	Weight (Lb)

3\*\*\*\*\*3

The Department will only make a price adjustment for reinforcement steel for steel provided in association with the reinforcement steel items. The Department will make a price adjustment for reinforcement steel based on the weight of reinforcement steel indicated in the Proposal for an Item as adjusted by Change Orders. If the reinforcement steel for an Item is shipped on dates having different monthly index prices, the Department will proportionately adjust the weight used in the calculation of the price adjustment by multiplying the weight shipped by the ratio of the weight for the Item to the sum total of weight shipped for that Item.

The Department will make a price adjustment for piles based on the weight of steel furnished for pipe piles and for H-piles based on the RE's order list. The weight of steel furnished for piles will not include the weight for ancillary materials such as pile shoes and splice collars.

The Department will make a price adjustment for BEAM GUIDE RAIL (including posts) and RUB-RAIL based on the weight of steel furnished. The weight does not include coating. The weight does not include associated hardware and the weight of end treatments.

If the preliminary Monthly Steel Price Index increases 100percent or more over the Benchmark Steel Price Index, do not order more steel without written approval from the RE. The RE will determine if work will continue based on the Steel Price Index increase.

There will be no increase to STEEL PRICE ADJUSTMENT if the work is behind schedule by fault of the Contractor and the steel was not purchased prior to the delay.

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2\*\*\*\*\*2

**160.04 MEASUREMENT AND PAYMENT**

THE FOLLOWING IS ADDED:

<i>Item</i>	<i>Pay Unit</i>
STEEL PRICE ADJUSTMENT	DOLLAR


2\*\*\*\*\*2

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**Implementation Code U (URGENT)**

Changes must be implemented in all applicable Department projects scheduled for receipt of bids at least one week after the date of the BDC Announcement. All necessary addenda and/or addenda to postpone the receipt of bids must be issued to ensure compliance.

**Recommended By:**

  
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Paul F. Schneider  
Director  
Capital Program Support

**Approved By:**

  
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Parth Oza, P.E. *For*  
Acting Assistant Commissioner  
Capital Program Management  
and Deputy State Transportation Engineer

PS: NE: HP