



## Florida Department of Transportation

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GOVERNOR

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SECRETARY

Tallahassee, FL 32399-0450

January 28, 2022

**DCE MEMORANDUM NO. 22-03**  
*(FHWA Approved 1/28/2022)*

**This Memo Has Expired**

**TO: DISTRICT CONSTRUCTION ENGINEERS**

**FROM:** Dan Hurtado, P.E., Director, Office of Construction

DocuSigned by:

*Dan Hurtado*

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**COPIES:** Will Watts, Scott Arnold, Ananth Prasad (FTBA), Mark Musselman (ACAF), Mark Clasgens (FHWA), Ashley Anderson

**SUBJECT: STEEL GUARDRAIL MATERIAL PRICE INDEX**

Due to recent volatility in prices of steel guardrail materials beyond what the Contractor could have historically anticipated at the time of bid, the Department, at the request of the Contractor, will process a \$0.00 specification change to provide for indexing for steel guardrail as provided for in the attached modification to Specification Section 9-2.

For active construction contracts, the Contractor has up to six weeks from the date of this memo to request or decline adoption of the attached specification. If the Contractor submits such a request, material price adjustments shall be made retroactively from the beginning of the contract through final acceptance to produce a cost adjustment which will be applied to the last estimate prior to final acceptance. This adjustment will be calculated by comparing the applicable Index value at the time of letting to the Index value at the time of invoiced material acquisition for new steel guardrail materials that are permanently incorporated into the project. The Contractor must submit Contractor Certification of Quantities for all applicable materials purchased. The Contractor must submit a Certification of Quantities for each month prior to the date of this memo and monthly thereafter through the completion of the project. Contractor Certification of Quantities are attached to this memo.

If the Contractor requests to adopt the attached specification into a given contract, the specification shall apply to all pay items listed in the attached Contractor Certification of Quantities for the entire duration of the contract, from beginning to end. If the Contractor declines adoption of the attached specification, the Contractor shall provide a written Certification that any applicable subcontractors have been notified of this memo and made aware of the Contractor's decision.

The following conditions apply:

1. Material Price Adjustments will not be made for materials which were purchased prior to award of the contract.
2. Materials must be stored in locations accessible for inspection by the Department per Section 9-5.5 of the Specifications.
3. Any materials receiving an adjustment must be incorporated into the specific contract on which material price adjustments are made.
4. The material must be approved as meeting applicable specifications.
5. For work performed by subcontractors, the unit price will be the subcontractor unit price as submitted on the accepted Form 700-010-36, Certification of Sublet - Schedule "A". Material price adjustments are not eligible for Contractor markup.
6. For work performed by the prime contractor, the unit price will be the bid unit price or, the unit price reflected in the accepted contract schedule of values.
7. The contractor is responsible for ensuring quantities are clearly identified on the invoices per the attached specification. In some cases, the quantity submitted on the Contractor Certification of Quantities will not match the invoice quantity. For example, double faced guardrail will have a certification quantity half that of the invoice quantity.
8. For contracts which had previously been approved to receive steel tariff compensation in accordance with the attached June 12, 2018 letter, the Contractor must notify the Engineer within six weeks from the date of this memo to either request adoption of the attached specification or, continue to participate in steel tariff compensation. Adoption of the attached specification will remove eligibility for steel tariff compensation in accordance with the attached letter. No contract may participate in both steel tariff compensation and the attached specification.
9. Material price adjustments will not be made for 3<sup>rd</sup> party damages.

Construction contracts executed between January 1, 2016 and June 30, 2021 are eligible to participate in this memo. Contracts final accepted on or before the date of this memo are not eligible to participate in this memo.

Payment adjustments shall be coded as Federal-aid non-participating using the Line-Item Adjustment Type Material Price Adjustment Guardrail – MPAG in SiteManager.

**This memorandum serves as blanket approval to process a \$0.00 contract change to incorporate the attached specification and should be attached to the Work Order or Supplemental Agreement.**

If you have any questions, please contact Ashley Anderson, P.E. at 850-414-4184 or by email at [Ashley.Anderson@dot.state.fl.us](mailto:Ashley.Anderson@dot.state.fl.us).

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[www.fdot.gov](http://www.fdot.gov)

## MEASUREMENT AND PAYMENT

ARTICLE 9-2 is expanded by the following:

**9-2.1.3 Material Adjustments for Steel Guardrail:** The Department will make price adjustments for steel guardrail materials included in the list of Pay Items attached to DCE Memo 22-03 in accordance with the following procedures.

Prepare separate Contractor's Certification of Quantities for each material invoice month using the Department form for Material Price Adjustment attached to DCE Memo 21-XX. Submit certifications for materials purchased prior to the date of incorporation of this specification within 60-days of incorporation. Submit certifications for subsequent estimate periods to the Engineer no later than Twelve O'clock noon on Monday after the estimate cut-off or as directed by the Engineer, based on the quantity of each material purchased within the estimate period. Material certifications reflecting quantities beyond the final contract quantity shall not be accepted. Ensure each certification includes the Contract Number, Financial Project Identification (FPID) Number, Certification Date and Number, the period the certification represents, and the quantity represented by each invoice for each pay item. Submit material invoices with each certification and clearly identify the following:

- a. Pay Item Number
- b. Certification Quantity
- c. Invoice Number
- d. Invoice Date
- e. Invoice Quantity
- f. Invoice Unit Price
- g. Invoice Total

On Contracts with an original Contract Time of more than 120 days, the Department will adjust the unit price to reflect increases or decreases in material costs from those in effect during the month in which bids were received. The contractor will not be given the option of accepting or rejecting these adjustments. Price adjustments will be made only when the invoice month material price index (IMP) varies by more than 5% from the price index prevailing in the month when the bids were received (BMP), and then only on the portion that exceeds 5%.

The Department will use factors to determine the percentage of unit price applicable to material only.

Price Adjustments will be based on the USDOL monthly Producer Price Index (PPI). The Material Price indices will be available on the Construction Office website before the 15<sup>th</sup> of each month at the following URL:

<https://www.fdot.gov/construction/material-price-adjustment>

Payment on progress estimates will be adjusted to reflect adjustments in the prices for steel guardrail materials in accordance with the following:

$$\text{\$ Adjustment} = (\text{quantity})(\text{unit price})(\text{material factor})(\text{ID})$$

Where ID = Index % Difference =  $[\text{IMP} - 0.95(\text{BMP})] / \text{BMP}$  when the IMP has decreased between the month of bid and the month of material invoice.

Where ID = Index % Difference =  $[\text{IMP} - 1.05(\text{BMP})] / \text{BMP}$  when the IMP has increased between the month of bid and the month of material invoice.

A line-item adjustment will be made on the last progress estimate prior to the final estimate to each applicable pay item to reflect the cumulative value of all Contractor Certification of Quantities submitted throughout the duration of the contract.

Adjustments will be paid or charged to the Prime Contractor only. Any Contractor receiving an adjustment under this provision for work performed by a subcontractor shall distribute the proper proportional part of such adjustment to subcontractors who perform applicable work.

The Department reserves the right to audit the Contractor's records pertaining to the material certifications submitted for this Contract.

Steel (Guardrail) Price Adjustment Worksheet

Worksheet No.	
Contractor:	
Financial Project ID:	
Contract Number:	

Base Index	Month/Year	Material Index
Current Index		
Index % Difference		

Item Numbers	Item Description	Unit	Quantity	Factor	Bid Unit Price	Material Cost
536-1-0	GUARDRAIL -ROADWAY, GENERAL/LOW SPEED TL-2	LF		0.650000		\$0.00
536-1-1	GUARDRAIL -ROADWAY, GENERAL TL-3	LF		0.650000		\$0.00
536-1-3	GUARDRAIL- ROADWAY, DOUBLE FACE	LF		0.650000		\$0.00
536-5-1	RUB RAIL FOR GUARDRAIL, SINGLE SIDED RUB RAIL	LF		0.650000		\$0.00
536-5-2	RUBRAIL FOR GUARDRAIL, DOUBLE SIDED RUB RAIL	LF		0.650000		\$0.00
536-6	PIPE RAIL FOR GUARDRAIL	LF		0.650000		\$0.00
536-7-1	SPECIAL GUARDRAIL POST- DEEP POST FOR SLOPE BREAK CONDITION- TIMBER OR STEEL	EA		0.650000		\$0.00
536-8	GUARDRAIL- BRIDGE ANCHORAGE ASSEMBLY, FURNISH & INSTALL	EA		0.650000		\$0.00
536-8-11	APPROACH TRANSITION TO RIGID BARRIER CONNECTION, FURNISH & INSTALL	EA		0.650000		\$0.00
536-8-12	APPROACH TRANSITION CONNECTION TO RIGID BARRIER, FURNISH AND INSTALL, TL-2	EA		0.650000		\$0.00
536-8-13	APPROACH TRANSITION CONNECTION TO RIGID BARRIER, FURNISH AND INSTALL, TL-3	EA		0.650000		\$0.00
536-8-60	APPROACH TRANSITION TO RIGID BARRIER- BRIDGE ANCHORAGE ASSEMBLY, REMOVE	EA		0.650000		\$0.00
536-83-1	GUARDRAIL POST REPLACEMENT, REGULAR (MAINTENANCE USE ONLY)	EA		0.650000		\$0.00
536-85-20	GUARDRAIL END TREATMENT- TRAILING ANCHORAGE	EA		0.650000		\$0.00
536-85-22	GUARDRAIL END TREATMENT- FLARED APPROACH TERMINAL	EA		0.650000		\$0.00
536-85-24	GUARDRAIL END TREATMENT- PARALLEL APPROACH TERMINAL	EA		0.650000		\$0.00
536-85-25	GUARDRAIL END TREATMENT- TRAILING ANCHORAGE TYPE II	EA		0.650000		\$0.00
536-85-26	GUARDRAIL END TREATMENT- TYPE CRT	EA		0.650000		\$0.00
536-85-27	GUARDRAIL END TREATMENT- DOUBLE FACE APPROACH TERMINAL	EA		0.650000		\$0.00
536-85-28	GUARDRAIL END TREATMENT- DOUBLE FACE TYPE II TRAILING ANCHORAGE	EA		0.650000		\$0.00
536-85-29	GUARDRAIL END TREATMENT- DOUBLE FACE TRAILING ANCHORAGE	EA		0.650000		\$0.00
536-8111	GUARDRAIL TRANSITION CONNECTION TO RIGID BARRIER, F&I- INDEX 536-001, APPROACH TL-2	EA		0.650000		\$0.00
536-8112	GUARDRAIL TRANSITION CONNECTION TO RIGID BARRIER, F&I- INDEX 536-001, APPROACH TL-3	EA		0.650000		\$0.00
536-8113	GUARDRAIL TRANSITION CONNECTION TO RIGID BARRIER, F&I- INDEX 536-001, TRAILING	EA		0.650000		\$0.00
536-8122	GUARDRAIL TRANSITION CONNECTION TO RIGID BARRIER, F&I- INDEX 536-002, APPROACH TL-3	EA		0.650000		\$0.00
536-8123	GUARDRAIL TRANSITION CONNECTION TO RIGID BARRIER, F&I- INDEX 536-002, TRAILING	EA		0.650000		\$0.00
544-2-1	CRASH CUSHION, TL-2, NARROW	EA		0.650000		\$0.00
544-2-2	CRASH CUSHION, TL-2, WIDE	EA		0.650000		\$0.00
544-3-1	CRASH CUSHION, TL-3, NARROW	EA		0.650000		\$0.00
544-3-2	CRASH CUSHION, TL-3, WIDE	EA		0.650000		\$0.00
544-75-1	CRASH CUSHION	EA		0.650000		\$0.00

Total (material cost)	\$0.00
Index % Difference	
Monthly Monetary Amount	

DATE: June 12, 2018  
SUBJECT: PRELIMINARY REQUEST FOR INFORMATION  
STEEL AND ALUMINUM TARIFF INCREASE

The Department has been made aware of the cost impacts to steel and aluminum material prices because of tariffs imposed by President Trump on March 8 of this year. Subsequently, the industry has requested that the Department collect this data. For the Department to objectively determine the impact of the tariffs, the following information is requested:

- a) A detailed list of each pay item impacted. For LS or Design-Build contracts, contractors will be required to break out work by standard Department pay items to show impacts.
- b) A list of the material involved with each pay item.
- c) A copy of the bid quotation used, or purchase order issued, reflecting the material price at time of bid and any paid invoices since March 8, 2018, if available.
- d) Any material purchased prior to the March 8<sup>th</sup> declaration of the tariffs is not eligible.
- e) Only items listed in "a" and "b" above will be eligible for consideration by the Department.
- f) A certification of the information by the Prime Contractor shall be submitted with the information.

Only ongoing contracts bid prior to April 1, 2018, will be considered. For contracts bid prior to April 1, 2018, but not yet awarded, the apparent low bidder is requested to submit the information. Only include projects with a total impact greater than \$5,000.

Contractors will have until COB 10 business days from the date of this memo to provide the requested information to the following email address. The matrix must be filled out and uploaded, along with attachments. *Failure to timely notify and provide the information will result in no consideration of increases/decreases on that specific project.* Submittal of the requested information must come from the prime contractor only.

***File to download***

<http://fdot.gov/agencyresources/SteelandAluminumTariffCostAdjustment.xlsx>

**Note:** In the email, make sure to use "Save As" to save a copy to your local machine.

***Email Address to send Files to***

[STEELTARIFF@dot.state.fl.us](mailto:STEELTARIFF@dot.state.fl.us)

The proposal that the Department has been asked to consider includes, but not is limited to, as follows:

1. Share in the material cost increases and any subsequent decreases during the life of such contract on 50/50 basis based on actual paid invoices.
2. The costs increase (or decrease) would be limited to a maximum of 50% of the original quoted price and may be subject to a minimum dollar threshold.

**The request for the above information is for the Department to consider whether any such relief should be provided and should not be construed that the Department shall provide relief.**

Please note the information submitted is subject to public records requests. If you have any questions, please contact David Sadler at 850-414-5203. Thanks