



Florida Department of Transportation

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GOVERNOR

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KEVIN J. THIBAUT, P.E.
SECRETARY

March 17, 2022

DCE MEMORANDUM NO. 22-05
(FHWA Approved March 17, 2022)

This Memo Has Expired

TO: DISTRICT CONSTRUCTION ENGINEERS

FROM: Dan Hurtado, P.E., Chief Engineer

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: REBAR AND PRESTRESSING STRAND MATERIAL PRICE INDICES

Due to recent volatility in prices of rebar and prestressing strand 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 rebar and prestressing strand 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 rebar and prestressing strand 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 Certifications 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.
8. Adoption of this Specification will apply to all pay items listed in the attached Certifications of Quantities and will cause adjustments to be made to rebar and prestressing strand. Contractors may not elect to apply this Specification to one material, but not others.
9. 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.

Construction contracts with letting dates 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 appropriate the Line-Item Adjustment Type in SiteManager:

- Material Price Adjustment Steel – MPAS

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.

DH/aa

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MEASUREMENT AND PAYMENT

ARTICLE 9-2 is expanded by the following:

9-2.1.4 Material Adjustments for Rebar and Prestressing Strand: The Department will make price adjustments for rebar and prestressing strand materials included in the list of Pay Items attached to DCE Memo 22-05 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 22-05. 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 15th 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 rebar and prestressing strand 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 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 (Reinforcing, Stranded) Price Adjustment Worksheet

Worksheet No.			Month/Year	Material Index
Contractor:		Base Index		
Financial Project ID:		Current Index		
Contract Number:		Index % Difference		

Item Numbers	Item Description	Unit	Quantity	Factor	Bid Unit Price	Material Cost
0415 1 1	REINFORCING STEEL- ROADWAY	LB		0.48		\$0.00
0415 1 3	REINFORCING STEEL- RETAINING WALL	LB		0.48		\$0.00
0415 1 4	REINFORCING STEEL - BRIDGE SUPERSTRUCTURE	LB		0.48		\$0.00
0415 1 5	REINFORCING STEEL- BRIDGE SUBSTRUCTURE	LB		0.48		\$0.00
0415 1 6	REINFORCING STEEL- MISCELLANEOUS	LB		0.48		\$0.00
0415 1 8	REINFORCING STEEL- BULKHEAD	LB		0.48		\$0.00
0415 1 9	REINFORCING STEEL- APPROACH SLABS	LB		0.48		\$0.00
0450 1 1	PRESTRESSED BEAMS, TYPE II	LF		0.51		\$0.00
0450 1 2	PRESTRESSED BEAMS, TYPE III	LF		0.51		\$0.00
0450 1 3	PRESTRESSED BEAMS, TYPE IV	LF		0.51		\$0.00
0450 1 4	PRESTRESSED BEAMS, TYPE V	LF		0.51		\$0.00
0450 1 5	PRESTRESSED BEAMS, TYPE VI	LF		0.51		\$0.00
0450 1 7	PRESTRESSED BEAMS, SPECIAL TYPE	LF		0.51		\$0.00
0450 1 72	PRESTRESSED BEAMS, BULB T - 72"	LF		0.51		\$0.00
0450 1 78	PRESTRESSED BEAMS, BULB T - 78"	LF		0.51		\$0.00
0450 1118	PRESTRESSED BEAMS, FLORIDA DOUBLE TEE, FDT18	LF		0.51		\$0.00
0450 1124	PRESTRESSED BEAMS, FLORIDA DOUBLE TEE, FDT24	LF		0.51		\$0.00
0450 1130	PRESTRESSED BEAMS, FLORIDA DOUBLE TEE, FDT30	LF		0.51		\$0.00
0450 1132	PRESTRESSED BEAMS, FLORIDA DOUBLE TEE, FDT32	LF		0.51		\$0.00
0450 1201	PREST BEAMS, TYPE II, MODIFIED	LF		0.51		\$0.00
0450 1202	PREST BEAMS, TYPE III, MODIFIED	LF		0.51		\$0.00
0450 1203	PRESTRESSED BEAMS, TYPE IV MODIFIED	LF		0.51		\$0.00
0450 1250	PRESTRESSED BEAMS, INVERTED T 20"	LF		0.51		\$0.00
0450 1251	PRESTRESSED BEAMS, INVERTED T MODIFIED FROM FIB, 26.5"	LF		0.51		\$0.00
0450 1701	PRESTRESSED BEAMS, BOX BEAM, PROJECT 222476-1-52-01	LF		0.51		\$0.00
0450 2178	PREST BEAMS: FLORIDA-I BEAM 78" MODIFIED, WITH POST TENSIONING	LF		0.51		\$0.00
0450 88 15	PRESTRESSED SLAB UNITS TRANSVERSELY POST TENSIONED, 15"	SF		0.51		\$0.00
0450 88 18	PRESTRESSED SLAB UNITS TRANSVERSELY POST TENSIONED, 18"	SF		0.51		\$0.00
0450 88 20	PRESTRESSED SLAB UNITS TRANSVERSELY POST TENSIONED, 20"	SF		0.51		\$0.00
0450 2 36	PREST BEAMS: FLORIDA-I BEAM 36"	LF		0.51		\$0.00
0450 2 45	PREST BEAMS: FLORIDA-I BEAM 45"	LF		0.51		\$0.00
0450 2 54	PREST BEAMS: FLORIDA-I BEAM 54"	LF		0.51		\$0.00
0450 2 63	PREST BEAMS: FLORIDA-I BEAM 63"	LF		0.51		\$0.00
0450 2 72	PREST BEAMS: FLORIDA-I BEAM 72"	LF		0.51		\$0.00
0450 2 78	PREST BEAMS: FLORIDA-I BEAM 78"	LF		0.51		\$0.00
0450 2 84	PREST BEAMS: FLORIDA-I BEAM 84"	LF		0.51		\$0.00
0450 2 96	PREST BEAMS: FLORIDA-I BEAM 96"	LF		0.51		\$0.00
0450 4 1	PRESTRESSED BEAM- FL U-BEAM, 48"	LF		0.51		\$0.00
0450 4 2	PRESTRESSED BEAM- FL U-BEAM, 54"	LF		0.51		\$0.00

0521 72 43	SHOULDER CONCRETE BARRIER, CURB AND GUTTER BARRIER	LF		0.17		\$0.00	
0521 72 44	SHOULDER CONCRETE BARRIER, 44" PIER PROTECTION BARRIER/CRASH WALL	LF		0.18		\$0.00	
0521 72 56	SHOULDER CONCRETE BARRIER, 56" PIER PROTECTION BARRIER/CRASH WALL	LF		0.18		\$0.00	
0521 72 60	SHOULDER CONCRETE BARRIER, 38" WALL SHIELDING BARRIER	LF		0.17		\$0.00	
0521 72 61	SHOULDER CONCRETE BARRIER, VARIABLE WIDTH FOR WALL OR SIGN SHIELDING	LF		0.17		\$0.00	
0521 72101	SHOULDER CONCRETE BARRIER, WALL SHIELDING BARRIER, PROJECT 435142-1-52-01	LF		0.17		\$0.00	
0521 72102	SHOULDER CONCRETE BARRIER, RIGID - SHOULDER 32", F-SHAPE, PROJECT 431737-1-52-01	LF		0.17		\$0.00	
0521 72103	SHOULDER CONCRETE BARRIER, 32" F-SHAPE, PROJECT 437990-3-52-01	LF		0.17		\$0.00	
0521 72104	SHOULDER CONCRETE BARRIER, 32", TRANSITION, PROJECT 446101-1-52-01	LF		0.17		\$0.00	
0521 72105	SHOULDER CONCRETE BARRIER, 32" F-SHAPE, PROJECT 440473-1-52-01	LF		0.17		\$0.00	
0534 72	CONCRETE NOISE WALL	SF		0.20		\$0.00	
0534 73	PERIMETER WALL	SF		0.20		\$0.00	
						Total (material cost)	\$0.00
						Index % Difference	
						Monthly Monetary Amount	