



Florida Department of Transportation

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GOVERNOR

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JARED W. PERDUE, P.E.
SECRETARY

July 20, 2022

DCE MEMORANDUM NO. 22-10
(FHWA Approved 7-18-22)

This Memo Has Expired

TO: DISTRICT CONSTRUCTION ENGINEERS

FROM: Tim Lattner, P.E., Director, Office of Construction

DocuSigned by:
Ashley Anderson
47050742AF004DA...
FOR Tim
Lattner, P.E.

COPIES: Dan Hurtado, Ananth Prasad (FTBA), Mark Musselman (ACAF), Mark Clasgens (FHWA), Ashley Anderson

SUBJECT: STRUCTURAL STEEL AND STEEL SHEET PILING MATERIAL PRICE INDICES

Due to recent volatility in prices of structural steel and steel sheet piling 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 structural steel and steel sheet piling 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 structural steel and steel sheet piling 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 material purchased 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 material purchased 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 for design-build contracts.
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 structural steel and steel sheet piling. 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.
10. Additional project specific guidance for MPAs can be found on the Department's website: <https://www.fdot.gov/construction/material-price-adjustment>

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.

TL/aa

MEASUREMENT AND PAYMENT

ARTICLE 9-2 is expanded by the following:

9-2.1.4 Material Adjustments for Structural Steel and Steel Sheet Piling: The Department will make price adjustments for structural steel and steel sheet piling materials included in the list of Pay Items attached to DCE Memo 22-10 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 22-10. 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 structural steel and steel sheet piling 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 $ID = \text{Index \% Difference} = [IMP - 1.05(BMP)] / BMP$ 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 (Structural Steel and Steel Sheet Piling) Price Adjustment Worksheet

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

Item Numbers	Item Description	Unit	Quantity	Final Factor	Bid Unit Price	Material Cost
0455 35 1	STEEL PILING, HP 8 X 36	LF		0.35		\$0.00
0455 35 3	STEEL PILING, HP 10 X 42	LF		0.35		\$0.00
0455 35 4	STEEL PILING, HP 12 X 53	LF		0.35		\$0.00
0455 35 5	STEEL PILING, HP 14 X 73	LF		0.35		\$0.00
0455 35 6	STEEL PILING, HP 14 X 89	LF		0.35		\$0.00
0455 35 7	STEEL PILING, HP 14 X 102	LF		0.45		\$0.00
0455 35 8	STEEL PILING, HP 14 X 117	LF		0.45		\$0.00
0455 35 9	STEEL PILING, SPECIAL	LF		0.35		\$0.00
0455 35 10	STEEL PILING, HP 16 X 101	LF		0.45		\$0.00
0455 35 11	STEEL PILING, HP 12 X 74	LF		0.35		\$0.00
0455 35 12	STEEL PILING, HP 16 X 88	LF		0.35		\$0.00
0455 35 13	STEEL PILING, HP 16 X 121	LF		0.45		\$0.00
0455 35 14	STEEL PILING, HP 16 X 141	LF		0.45		\$0.00
0455 35 20	STEEL PILING, 18" DIA. PIPE	LF		0.35		\$0.00
0455 35 21	STEEL PILING, 20" DIA. PIPE	LF		0.35		\$0.00
0455 35 22	STEEL PILING, 24" DIA. PIPE	LF		0.35		\$0.00
0455 35 23	STEEL PILING, 30" DIA. PIPE	LF		0.35		\$0.00
0455 35101	STEEL PILING, PROJECT 428957-1-52-01, 20" DIA. PIPE WITH 100% DYNAMIC TESTING	LF		0.35		\$0.00
0455 35102	STEEL PILING, PROJECT 430501-1-52-01, 24" DIA. PIPE WITH 100% DYNAMIC TESTING	LF		0.35		\$0.00
0455 35103	STEEL PILING, PROJECT 439374-1-52-01, 24" DIA. PIPE WITH 100% DYNAMIC TESTING	LF		0.35		\$0.00
0455 35104	STEEL PILING, 10" DIA. PIPE, PROJECT 439926-3-52-01,	LF		0.35		\$0.00
0455 35105	STEEL PILING, PROJECT 4435542-1-52-01, 20" DIA. PIPE WITH 100% DYNAMIC TESTING	LF		0.35		\$0.00
0455 35106	STEEL PILING, PROJECT 4435542-1-52-01, 24" DIA. PIPE WITH 100% DYNAMIC TESTING	LF		0.35		\$0.00
0455 35107	STEEL PILING, 24" DIAMETER PIPE WITH 100% DYNAMIC TESTING, PROJECT 417672-2-52-01,	LF		0.35		\$0.00
0455 35108	STEEL PILING, HP 18 X 135 BUILT-UP, PROJECT 436870-1-52-01	LF		0.45		\$0.00
0455 35109	STEEL PILING, HP 14 X 117 WITH 100% DYNAMIC LOAD TESTING, PROJECT 407402-3-52-01	LF		0.45		\$0.00
0455 35110	STEEL PILING, HP 14 X 89 WITH 100% DYNAMIC LOAD TESTING, PROJECT 435784-1-52-01	LF		0.35		\$0.00
0455 35111	STEEL PILING, PROJECT 255893-4-52-01, 20" DIA. PIPE WITH 100% DYNAMIC TESTING	LF		0.35		\$0.00
0455 35112	STEEL PILING, 24" DIAMETER PIPE WITH 100% DYNAMIC TESTING, PROJECT 439938-1 & 439937-1	LF		0.35		\$0.00
0455 35113	STEEL PILING, HP 14 X 89 WITH 100% DYNAMIC LOAD TESTING, PROJECTS 431821-2-52-01 & 443770-1-52-01	LF		0.35		\$0.00
0455 35114	STEEL PILING, 24" DIAMETER PIPE WITH 100% DYNAMIC TESTING, PROJECT 439280-1-52-01	LF		0.35		\$0.00
0455 35115	STEEL PILING, HP 14 X 89 WITH 100% DYNAMIC LOAD TESTING, PROJECT 442891-1-52-01	LF		0.35		\$0.00
0455133 3	SHEET PILING STEEL, F&I PERMANENT	SF		0.58		\$0.00
455133101	STEEL SHEET PILING, COMBINATION WALL WITH KING PILES, PROJECT 424407-1-52-01	SF		0.58		\$0.00
0455133201	STEEL SHEET PILING, NON-VIBRATORY PRESS-IN METHOD REQUIRED, PROJECT 436077-1-52-01	SF		0.58		\$0.00
0455133202	STEEL SHEET PILING, NON-VIBRATORY PRESS-IN METHOD REQUIRED, PROJECT 433075-1-52-01	SF		0.58		\$0.00
0455133203	STEEL SHEET PILING, NON-VIBRATORY PRESS-IN METHOD REQUIRED, PROJECT 436056-1-52-01	SF		0.58		\$0.00
0455133204	STEEL SHEET PILING, NON-VIBRATORY PRESS-IN METHOD REQUIRED, PROJECT 441258-1-52-01	SF		0.58		\$0.00
0455133205	STEEL SHEET PILING, NON-VIBRATORY PRESS-IN METHOD REQUIRED, PROJECT 256881-5-52-01	SF		0.58		\$0.00
0460 1 15	STRUCTURAL STEEL - REHABILITATION, MISCELLANEOUS	LB		0.65		\$0.00
0460 2 1	STRUCT STEEL, CARBON	LB		0.63		\$0.00
0460 2 2	STRUCT STEEL, LOW ALLOY	LB		0.63		\$0.00

0460 2 15	STRUCT STEEL, MISCELLANEOUS	LB		0.65		\$0.00
0460 2 18	STRUCT STEEL, CARBON- TRUSS	LB		0.63		\$0.00
0460 2 20	STRUCT STEEL - NEW/WIDENING, WEATHERING	LB		0.65		\$0.00

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

I certify that, based on my personal knowledge and well-founded belief following my own reasonable investigation, quantities represented by this Certification are true and correct.

X

Prime Contractor's Authorized Agent

Updates: