

**Retroactive Asphalt Material Price Adjustment -
Glenn/Bragaw Interchange**

**FY2010 Request: \$151,500
Reference No: 49028**

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Anchorage Area-wide

Contact: Frank Richards

House District: Anchorage Area-wide (HD 17-32)

Contact Phone: (907)465-3900

Estimated Project Dates: 04/19/2010 - 06/30/2014

Appropriation: Highways and Facilities

Brief Summary and Statement of Need:

Average rack price for asphalt cement in Alaska increased from \$373/ton in January 2008 to a high of \$710/ton in August that year. Although contractors typically plan for some increase in material costs throughout the life of a contract, they couldn't reasonably anticipate this level of inflation. Projects that were bid before a price adjustment provision was implemented were disproportionately affected by this cost increase.

Funding:	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
Gen Fund	\$151,500						\$151,500
Total:	\$151,500	\$0	\$0	\$0	\$0	\$0	\$151,500

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

None.

Project Description/Justification:

In August 2008 the Department committed to retroactively add an asphalt cement price adjustment to share the unanticipated inflationary costs with the contractors. The state general funded Glenn / Bragaw Interchange project met the criteria for receiving this price adjustment; however the project's budget to complete construction does not have sufficient funding available to reimburse the contractor.