

Office of Materials and Road Research  
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State of Minnesota  
Department of Transportation  
Office Memorandum

DATE: December 21, 2012

TO: File/Web *Terry Beaudry*

FROM: Terry Beaudry, Grading and Base Engineer

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SUBJECT: Monetary Price Adjustment Tables

This memo contains monetary price adjustment tables for use when the Contractor fails to comply with the construction requirements of 2105, 2106, 2118, 2211, 2212 and 2221. This memo does not modify the monetary price adjustment tables within specification 2211.

Use the guidelines and tables below for assessing monetary price adjustments. Upon request, the Grading and Base Engineer may provide recommendations that deviate from the guidelines when adequate justification is provided. Document any deviations from the guidelines within the project files.

### **Guidelines**

1. The Contractor may not knowingly provide failing materials.
2. The Engineer may allow the Contractor to accept a price reduction instead of corrective action. The Contractor may choose to correct non-compliant material in order to qualify for full payment; however the Contractor does not have the option to take a price adjustment, if the Engineer requires removal or correction.
3. Corrective action is considered incidental work, and therefore the Contractor will not be compensated an additional amount.
4. Corrective action may involve the removal of unacceptable material with replacement of new materials, or the correction of the unacceptable materials. New or corrected material will be tested for compliance with the specification.
5. Monetary price adjustments are a reduction in the amount paid for a Contract item.
6. Monetary price adjustments apply to the quantity of material represented by the sample.
7. Add individual monetary price adjustments for each failing aggregate quality and gradation failure for determination of the total monetary price adjustment.
8. The Engineer may designate a reasonable price for the cost of material, when a Contract price has not been established.
9. Bid prices for the project in question should be reviewed prior to calculating a monetary price adjustment. If the bid prices are considerably below average prices, then the price adjustment should be assessed based upon:
  - a. the average bid price as determined by the Estimating Section or
  - b. a fair market value.

<b>Table 2105-8</b>					
<b>Aggregate Gradation Monetary Price Adjustment Schedule for Granular Materials</b>					
Based on <u>One or Averaged Samples</u> per Lot					
<b>Note:</b> Add monetary price adjustments for each failing aggregate quality & gradation failure.					
<b>Sieves or Sieve Ratio</b>					<b>Monetary Price Adjustment %</b>
<b>No. 40/No. 10, 2", 1", 3/4", 3/8", No. 4, No. 10</b>	<b>No. 40</b>	$\frac{No.200}{1"}$ , $\frac{No.200}{No.10}$	<b>No. 200 for Material Specs with Max 200 &gt; 5%</b>	<b>No. 200 for Material Specs with Max 200 ≤ 5%</b>	
<b>Percent Passing Outside Specified Limits</b>					
3	2	—	1.0 – 1.1	0.7	1
4 – 5	—	1	1.2 – 1.6	0.8 – 1.0	3
6 – 7	3	—	1.7 – 2.0	1.1 – 1.3	5
8	—	2	2.1 – 2.2	1.4	7
—	4	—	2.3 – 2.5	1.5 – 1.7	9
—	—	—	2.6 – 2.7	1.8	11
—	—	—	2.8 – 2.9	1.9	13
—	—	3	3.0	2.0	15
> 8	> 4	> 3	> 3.0	> 2.0	Corrective Action

<b>Table 2212-1</b>						
<b>Aggregate Gradation Monetary Price Adjustment Schedule for Drainable Base</b>						
Based on the <u>Average of Four or More Samples</u> per Lot						
<b>Note:</b> Add monetary price adjustments for each failing aggregate quality & gradation failure.						
<b>Drainable Base Type</b>						<b>Monetary Price Adjustment %</b>
<b>DSB &amp; OGAB</b>		<b>DSB</b>	<b>OGAB</b>	<b>DSB</b>	<b>OGAB</b>	
<b>Sieves</b>						
<b>1½", 1", ¾", ⅜"</b>	<b>No. 4, No. 10</b>	<b>No. 40</b>	<b>No. 200</b>			
<b>Percent Passing Outside Specified Limits</b>						
2	2	1	1	0.2	0.2	1
3	3	2	2	0.3 – 0.4	0.3 – 0.4	3
4	—	—	3	0.5	0.5 – 0.6	6
—	4	3	—	0.6	0.7 – 0.8	10
—	—	—	—	0.7	0.9 – 1.0	14
—	—	—	—	0.8	1.1 – 1.2	19
—	—	—	—	0.9	1.3 – 1.4	24
—	—	—	—	1.0	1.5	30
> 4	> 4	> 3	> 3	> 1.0	> 1.5	Corrective Action

<b>Table 2212-2</b>						
<b>Aggregate Gradation Monetary Price Adjustment Schedule for Drainable Bases</b>						
Based on an <u>Individual or Average of Two or Three Sample(s) per lot</u>						
<b>Note:</b> Add monetary price adjustments for each failing aggregate quality & gradation failure.						
<b>Drainable Base Type</b>						<b>Monetary Price Adjustment %</b>
<b>DSB &amp; OGAB</b>		<b>DSB</b>	<b>OGAB</b>	<b>DSB</b>	<b>OGAB</b>	
<b>Sieves</b>						
<b>1½", 1", ¾", ⅜"</b>	<b>No. 4, No. 10</b>	<b>No. 40</b>		<b>No. 200</b>		
<b>Percent Passing Outside Specified Limits</b>						
3	3	2	2	0.5	1.0	1
—	4 – 6	—	—	0.6 – 0.7	1.1 – 1.3	3
4 – 6	—	—	3	0.8 – 1.0	1.4 – 1.7	6
—	—	3	4	1.1 – 1.3	1.8 – 2.1	10
—	—	—	—	1.4 – 1.6	2.2 – 2.5	14
—	—	4	5	1.7 – 1.8	2.6 – 2.7	19
—	—	—	—	1.9	2.8 – 2.9	24
—	—	5	—	2.0	3.0	30
> 6	> 6	> 5	> 5	> 2.0	> 3.0	Corrective Action

<b>Table 2211-7 / 2212-3</b>			
<b>Aggregate Quality Monetary Price Adjustment Schedule for Aggregate Base, Surface Aggregate, Shoulder Base Aggregate &amp; Drainable Aggregate Base</b>			
Based on the <u>Average of Two or more Samples per Lot</u>			
<b>Note:</b> Add monetary price adjustments for each failing aggregate quality & gradation failure.			
<b>Test with percent passing outside specified limits</b>			<b>Monetary Price Adjustment %</b>
<b>LAR (% over Specification)</b>	<b>Total Spall or Shale (% over Specification)</b>	<b>Insoluble Residue (% over Specification)</b>	
1	0.6 – 1.4	1	1
2 – 3	1.5 – 2.5	2	4
4	—	—	9
5	2.6 – 3.4	3	13
6 – 7	—	—	20
8	3.5 – 4.5	4	29
9	—	—	40
10	4.6 – 5.4	5	50
> 10	> 5.4	> 5	Corrective Action

**Table 2211-8 / 2212-4**

**Aggregate Quality Monetary Price Adjustment Schedule**

Aggregate Base, Surface Aggregate, Shoulder Base Aggregate & Drainable Aggregate Base  
Based on One Sample per Lot

**Note:** Add monetary price adjustments for each failing aggregate quality & gradation failure.

<b>Test with percent passing outside specified limits</b>			<b>Monetary Price Adjustment %</b>
<b>LAR (% over Specification)</b>	<b>Total Spall or Shale (% over Specification)</b>	<b>Insoluble Residue (% over Specification)</b>	
2 – 4	0.6 – 1.4	1	1
5 – 6	1.5 – 3.4	2 – 3	4
7 – 8	3.5 – 4.5	4	9
9	4.6 – 5.4	5	13
10 – 11	—	—	20
12	5.5 – 6.5	6	29
13 – 14	—	—	40
15	6.6 – 7.4	7	50
> 15	> 7.4	> 7	Corrective Action