



TN

TDOT
Department of
Transportation

Aeronautics Division
Tennessee Department of Transportation

Bituminous Indexing Payment Adjustment

Bituminous Indexing Overview

As referenced in TDOT Aviation Special Provision 109B (ASP109B), Bituminous indexing was developed as a result of the volatility in the cost of bituminous material. A cost adjustment special provision can be included in applicable contracts to provide additional compensation to the prime contractor or cost savings to the Airport Sponsor (Owner), based on cost fluctuations of bituminous material.¹

Applicability

Bituminous Indexing can be included into construction contracts, especially where concern of volatility of bituminous material exists. Material eligible for price adjustment is limited to asphalt cement, asphalt emulsion, and bituminous material used for paving in the project. This equates to virgin asphalt mixtures, asphalt mixtures containing reclaimed asphalt pavement (RAP), prime and tack coats, and surface treatments. ASP109B is often paired with ASP109A, Payment Adjustment for Fuel, when applicable.

How does it work?

- A Basic Bituminous Material Index will be established based on the established [TDOT "Monthly Bituminous Material Index"](#) prior to the time bids are opened. The Basic Index is set during the month of project advertisement.
- A payment adjustment is made to compensate for increases and decreases of 5% or more in the contractor's material cost during the time of paying, barring an unauthorized contract time overrun
- Price adjustment computations shall be performed monthly
- Depending on if Virgin or Recycled Bituminous Material is placed, a specific formula is used from ASP109B.
 - The Asphalt Cement Percentage (AC %) from the Airport Engineer of Record's (EOR) approved Asphalt Job Mix Formula (*Mix Design*) is utilized instead of actual placed AC %.
- Since FAA Specification ([AC 10H](#)) Surface Treatments are typically paid by unit area and indexing adjustments work by unit volume, the ASP109B TAD Bituminous Adjustment Tool incorporates average application rates and number of applications. ASP109B clarifies AC Residue % to be adjusted for each type of bituminous surface treatment. Adjustments are applied per Table ASP 109-1.

Why utilize it?

- Promotes a low-risk environment for the Airport Sponsor and Contractor
- Allows the Contractor to bid an uninflated, market unit price which maximizes grant funding
- Maximizes number of bids by minimizing bidding uncertainty

Important Considerations

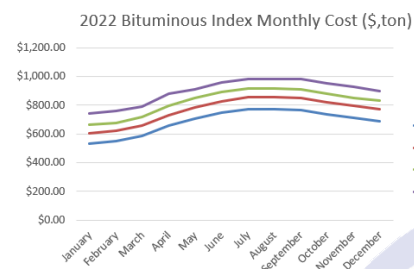
Airport Sponsor:

- ASP109B is a part of the construction contract specifications, a change order is not necessary for these cost increases or decreases. Quantify the cost adjustments with the TAD Fuel/ Bituminous Indexing Adjustment Tool (Excel Spreadsheet), print the calculation records & summary of adjustments, and attach with the invoice reimbursement request. The Sponsor should also attach the latest TDOT "Monthly Bituminous Material Index"
- Payment adjustment line item should be incorporated on invoice(s) to properly account for ASP109B
- When a funding request is made to TDOT Aeronautics, account for forecasted Bituminous Indexing Payment Adjustments by using the table below to be incorporated as grant contingency
 - Construction Bid(s) must be received

Bid Amount	<6 months	6-12 months	12-18 months	>18 months
<\$ 500K	1.94%	1.62%	4.97%	1.84%
\$ 500K - \$ 1M	3.57%	2.13%	1.69%	1.78%
\$ 1 - 3M	3.59%	4.14%	1.70%	1.31%
\$ 3-10 M	3.00%	5.48%	2.27%	1.50%
>10M	-	4.21%	4.86%	2.02%

It is understood that future indexing cannot be predicted precisely. The percentages from the above table are derived from historical TDOT Roadway data and based on standard deviation. Coordination with the TDOT Aeronautics Project Manager may be required.

- Incorporate an item on the pre-bid meeting agenda regarding ASP109B
- All TDOT published monthly Performance Graded (PG) Binder indices follow the same trendline, relative to the cost of bituminous material. PG 64-22 is the baseline referenced in ASP109B, regardless of the PG specified in the job.



Footnotes

- Fuel Indexing Payment Adjustment can be applied to state and federal contracts. Reference [FAA Reauthorization Act of 2024 \(Public Law 118-63\), Section 707 Price Adjustment Provisions](#) & [FAA R-PGL 25-05](#)

Resources

TAD Material Adjustment Tool (Excel Spreadsheet)
ASP109B
[TDOT "Monthly Bituminous Material Index"](#)

Questions? Reach out to assigned TDOT Aeronautics Project Manager on how this might apply to an existing or future Airport Capital Improvement Plan project. <https://www.tn.gov/tdot/aeronautics/aeronautics-division-staff0.html>