**BUYER’S GUIDE (Ver. 2 Sept 2018)**

**Emulsified Asphalt and Recycling Agents Price Agreement (PA) Series**

This is a statewide ODOT price agreement series, consisting of 3 price agreements:

B35847 – Albina Asphalt

B35848 – Blue Line Transportation Inc

B35849 – Idaho Asphalt Supply Inc

OPO Contact for the PA series: Joanne Robinson, 503-986-2665

Website for pricing and contact information: [https://www.oregon.gov/ODOT/Business/Procurement/Pages/GTS.aspx](http://www.oregon.gov/ODOT/Business/Procurement/Pages/GTS.aspx)

**How to use the PA series:**

1. **PRICE SHEETS:** You will need pricing sheets for each of the 3 suppliers. They are available at the website listed above, or from Joanne. The pricing sheets are Attachment A to each of the suppliers’ price agreements.
2. **HOW TO CHOOSE A SUPPLIER:**  The PAs allow for 2 methods of supplier selection. Here is the exact language from the PAs**:**
3. **Contractor Selection:**  This PA is one of a series of PAs for Emulsified Asphalt and Recycling Agents. When a purchaser requires Goods and Services (or Goods only) under the PA series, the purchaser must determine which PA under the series provides the best value for the specific Goods and Services required, based on any or all of the following criteria:
* Product availability
* Price
* Schedule availability
* Distance from plant to jobsite
* Plant capacity
* Traffic congestion issues between plant and jobsite
* Availability of experienced distributor drivers
* Past performance on previous projects
* Out-of-season availability if needed
* Any other factor that will benefit the Oregon Highway Fund
1. **Alternate Selection Method (Contractor quotes):** A purchaser may opt to obtain quotes from PA holders when the purchaser determines a lower price may be warranted; for instance (but not limited to), for an especially large project or during non-peak season for Contractors. When this option is selected, the purchaser must take reasonable steps to obtain quotes from at least 2 of the PA holders. Negotiation of price and other factors is allowed during the quote process. Any negotiated prices must be clearly listed in the resulting PO.
	1. If you use method 1, you would tentatively make your selection and then contact the selected supplier to discuss details of the job. If it turns out they aren’t available, or don’t have the product you need, you may need to make another choice. When using this method, please double check all costs with the supplier before entering into a PO. For instance, when looking at pricing for purchases from Idaho Asphalt, you will need to make an estimate of freight charges, using the locations provided as examples. Once you call them to place/(reserve) the order, you should confirm the freight charges.
	2. When using method 2, you must get quotes from at least 2 suppliers. You can see from the contract language this method is mainly intended for when you think you may be able to get a lower price than those in the PAs. But using this method does not limit you to selecting based on price – you can use the same factors as in method 1.
2. **DOCUMENTING YOUR SELECTION:** This PA series provides for broad discretion in selection of a supplier. As a user, YOU are responsible for your choice, and you should be able to state why you chose a particular supplier. It is advised that you document the reasons for your selection.
3. **YOU MUST ISSUE A PO:** Once you’ve made a “deal” with your selected supplier, you MUST ISSUE A PURCHASE ORDER. The PA in and of itself does not constitute a complete contract, because it lacks specifics such as when, where, and how much. The contract is formed when a purchase order is issued. (The timing of the PO issuance is between you and the supplier, but it must be issued prior to the start of the job. For instance, if your supplier is willing to schedule your job months in advance, but you don’t want to issue a PO quite that early, that’s fine so long as it’s issued before the start of the job.) ***Please be sure to include the Price Agreement number on the PO – there is a field for that. Price Agreement numbers are listed at the top of this guide, and they are also on the cover pages of the price sheets.***
4. **PRODUCTS:** The products listed on the pricing sheets are the only ones that can be purchased under the price agreements. If you want to buy products that aren’t listed, they MUST be added to the price agreement first. The supplier must request addition of products by submitting a request to the PA Administrator (Joanne). They are familiar with this requirement. If you want a product added, ask the supplier to submit a request.
5. **INVOICES:**  The PAs contain requirements for invoices. PLEASE, PLEASE, **DO NOT** pay any invoices that do not conform to the requirements. (Otherwise, they may never conform.) Send them back and ask that they be corrected. Here’s what the PAs say:

**6.4 INVOICES.** Contractor shall submit a separate invoice for each PO to the address (or email address) as indicated in the PO. Contractor’s invoice must include:

* PA number and PO number;
* Name of ODOT employee who placed the order and their ODOT District
* The description and quantity of Goods ordered, the quantity of Goods delivered, the date Goods were delivered, the price per unit, including escalation or de-escalation if applicable; and the total cost for the Goods.
* A detailed description of Services provided, the dates Services were performed, the unit price for Services performed, and the total cost of Services;
* The total amount due and the payment address.

ALL CHARGES OR CREDITS pertaining to an order must be included on the same invoice. Contractor shall not submit separate invoices for escalation/de-escalation, demurrage, or any other charges on an order.

Any invoice that does not comply with the requirements of this section, or contains errors, will promptly be returned to Contractor to be re-submitted. An invoice will not be considered “received” unless it conforms with all requirements.

1. **ESCALATION/DE-ESCALATION:** You are probably familiar with escalation/de-escalation for the products, based on monthly changes to the MACMP (monthly asphalt cement material price). The specific language in the price agreements is below, for your information. In order to determine the adjusted price, you will need to know: 1) Your un-adjusted price (from the price list or from getting quotes); 2) The monthly adjustment factor for the month in which you are **receiving** the product (from Joanne’s spreadsheet); and 3) the asphalt content (% residue) of the product. Multiply the asphalt content by the monthly adjustment factor, to get the adjustment amount per ton. Then add that amount (it will be a negative number during de-escalation) to the price per ton and multiply by the quantity purchased.

Here’s the actual contract language:

**4.5 ASPHALT CEMENT MATERIAL ESCALATION/DE-ESCALATION.** Monthly price adjustments for Goods will occur based on changes in ODOT’s Monthly Asphalt Cement Material Price (MACMP) index, which is published on ODOT’s website each month: <http://www.oregon.gov/ODOT/Business/Pages/Asphalt-Fuel-Price.aspx>. Adjustments will occur based on the month in which the Goods are **delivered** (or picked up), regardless of when they are ordered.

**The February 2018 MAMCP is the Base MACMP for this PA:**

Poten Boise Idaho (when any portion of a project is in District 13 or 14): $380

Poten Pacific Northwest (all other projects): $382

The monthly price adjustment factor will be calculated as described below. Monthly price adjustments will be made by multiplying the adjustment factor by the asphalt content (% residue), and adding the resulting product to the per-ton price listed in the PA.

“Current MACMP” in the calculations below means the MACMP for the month PRIOR to the month in which the Goods are delivered (i.e. adjustments for Goods delivered in August 2018 will be based on the July 2018 MACMP).

* If the Current MACMP is within ± 5% of the Base, there will be no adjustment.
* If the Current MACMP is more than 105% of the Base, then:

Adjustment factor = (MACMP) - (1.05 x Base)

* If the Current MACMP is less than 95% of the Base, then:

Adjustment factor = (MACMP) - (0.95 x Base)

1. **PREVAILING WAGE RATES:** Services provided under the PAs are subject to the BOLI prevailing wage rate (PWR) requirements. (If you pick up product at the plant, and the supplier isn’t applying it, PWR does not apply.) The suppliers are responsible for most of the BOLI PWR requirements, but there are some requirements of agencies. Your responsibilities, according to BOLI’s prevailing wage rate handbook, include:
	1. Receiving and filing certified payroll reports from the supplier (you don’t have to verify anything; just make sure they submit them, and keep them on file.)
	2. Withholding 25% of payment under the contract (PO) if reports are not submitted, until they are submitted.