



**ALABAMA DEPARTMENT OF TRANSPORTATION
CONSTRUCTION BUREAU**

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Kay Ivey
Governor

John R. Cooper
Transportation Director

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Construction Information Memorandum No. 2 - 2022

TO: Region Engineers

ATTN: Area Construction and Local Transportation Engineers

FROM: Kyle M. Leverette, PE ^{KML}
State Construction Engineer

RE: Material Availability and Cost Escalation

A meeting was held recently with ARBA members to hear their concerns regarding material availability and cost escalation. It was made clear that the Department will not consider any new material indexes beyond the current asphalt and fuel indices; however, a commitment was made to utilize current specification allowances to expedite stored materials payments, give consideration to material substitutions when appropriate, and to explore other potential contract administrative options that would minimize the impacts of the current market volatility.

Please make sure your project personnel with contract administration responsibilities are aware of the following specifications and tools that are available to expedite partial payment for materials and to allow material or product substitutions, when appropriate.

Stored Materials

Article 109.07, Partial Payments, provides guidance on paying for non-perishable commercial materials when those materials can be securely stored or stockpiled for a specific project. The specification outlines the requirements for material storage, inspection, and payment. See also Article 106.05 regarding handling and storage of the materials. The contractor may prepare and submit a request for stored materials payment at any time; however, payment cannot be made until after the Notice to Proceed has been issued. Since requests for these payments can be expected prior to the actual work beginning, a procedure for handling contract time charges has been developed and is available in the Policy and Procedures Section of CAMMS.

Steel Plates and Shapes

Subarticle 508.05(f) allows for partial payment of structural steel plates and shapes prior to their use in fabrication. Consideration may be given on a case-by-case basis to similar payment requests for other steel products, i.e., traffic signal and luminaire poles, overhead sign structures, piling, sign posts, guardrail and end anchors, etc. The Construction Bureau should be contacted for assistance when these types of requests are received.

Material Substitution

When certain products or materials are not readily available and alternatives can be procured, consideration should be given to allowing a substitution when requested by the contractor. The substitute product or material must serve the same purpose and meet the intent of the original design. Cost, quality, and longevity should also be factored into the Department's review along with any applicable specification requirements. In particular, the industry is experiencing delays in obtaining reinforced concrete pipe; therefore, substitutions in the type of pipe should be considered when permissible by specification and location of installation.

All industry associations are being copied with this CIM and should remind their members of the importance to submit requests for partial payment or material substitutions as soon as possible during the project in order to take full advantage of these options.

Please contact this office if you have any questions.

KML/JLB/jlb

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