

TO: DISTRIBUTION LIST

SUBJECT: MINISTRY SUPPLY OF ASPHALT MATERIALS

BENEFITS:

There are a number of well proven reasons why the Ministry benefits by supplying asphalt materials to contractors on virtually all paving projects. These include better asphalt cement prices and contract prices and the assurance of quality. Due to potential market instability, price risk management has become important. International affairs, seasonal demands and other factors all produce variability in asphalt prices which makes long term estimating difficult. Supply of asphalt through the Purchasing Commission and coordination by the Engineering Branch, Geotechnical and Materials Section, will ensure that individual project managers will not become entangled in claims resulting from extreme asphalt price fluctuation.

CO-ORDINATION OF REQUISITIONS:

Engineering Branch, Geotechnical and Materials Section, in Victoria has the mandate to coordinate and review the requisition of asphalt materials for regions and headquarters. Where feasible, the Ministry ensures the best unit prices by block ordering of asphalt materials to supply two or more projects within a geographic area from a single supplier. In addition, requirements for new later projects, within a reasonable distance from the block can also be included.

In keeping with excellent past experience, all asphalt requirements will be supplied by the Ministry when the project size is such that more than approximately **100 tonnes** of asphalt cement or **100,000 litres** of primer is required. Even in cases where a lesser quantity is needed, it may be possible to coordinate supply with a nearby larger Ministry supplied project, to take advantage of a large volume unit price.

REQUISITION OF ASPHALT MATERIALS:

The requisitioning of types and quantities of asphalt materials is a Regional/Major Projects responsibility. The following procedures for the requisitioning of asphalt materials on Ministry supplied projects are now in effect.

1. Block Orders

As soon as each regional annual program has been finalized, submit completed requisition forms for all asphalt materials requirements to Engineering Branch, Geotechnical and Materials Section, in Victoria for processing. The monthly quantities estimated to be used, the period of time in which they will be used during the fiscal year, the approximate location, delivery time, the project number, and receiver of invoice (name, address and phone number) must be indicated for each project. When submitting block orders, exercise caution to ensure that asphalt cement with appropriate temperature susceptibility is chosen. The temperature susceptibility has a significant influence in performance with respect to rutting and thermal pavement cracking. Therefore, block orders should be for asphalt materials

to be used in zones having similar climatic characteristics. Please ensure correct CGSB Grade of Asphalt is noted on the requisition.

2. Single Project Orders

For single project orders, which are not suitable for block orders, or which take effect after the block orders are in place, requisitions for asphalt materials must be forwarded to the Engineering Branch, Geotechnical and Materials Section, in Victoria. Geotechnical and Materials Section maintains a continuous record of crude oil/asphalt product price fluctuations and it will then be decided whether the new quantity can be added to an existing block or whether new individual quotes need be solicited. Forward the details of the order well in advance (5 weeks) of your project asphalt needs in the form of "Requisition to the Purchasing Commission". A typical requisition form for a single project is attached.

3. Adjustment to Quantities/Emergency Purchase Orders

To adjust quantities (over/under 10%) from previous orders or to obtain an emergency purchase order (EPO) number contact **Ralph White (250 655-2481)** or **Larry Macmillan (250 655-2460)** of the Purchasing Commission directly. To adjust quantities, submit to them a requisition describing the amendment, quoting the number of the purchase order to be amended. For an EPO, obtain directly from the suppliers, three quotations (to be confirmed in writing by the oil company) for the materials needed. With this information, the Purchasing Commission will be able to issue an EPO number immediately. Notify the Engineering Branch, Geotechnical and Materials Section of the EPO.

NOTE: This circular cancels Circular T-2-90 and revised Circular T-2-91 (revised July 16, 1992). Please destroy these two circulars.

CONTACT:

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All Regional Directors

Purchasing Commission: Attention: Larry McMillan

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Regional Geotechnical Managers

Project Managers, Paving

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