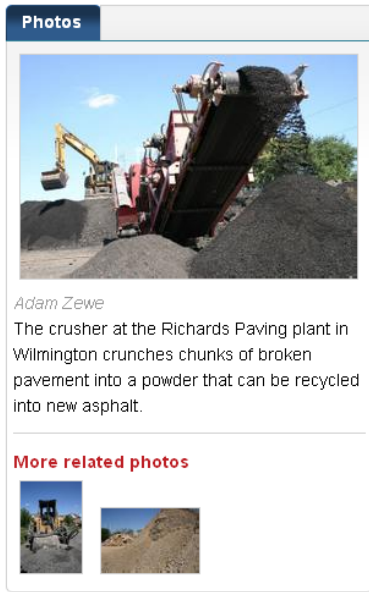


Paving companies adapt to skyrocketing asphalt prices



By Adam Zewe
Community News

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Hockessin, Del. — Liquid asphalt prices have more than doubled over the past year, stalling some commercial road projects, making residential projects cost-prohibitive, and putting paving companies in a sticky situation.

A year ago, one ton of liquid asphalt sold for about \$325, today it is \$800.

The spike is driven by the high cost of oil: asphalt and gasoline are made of the same components, so many refineries are producing less asphalt because they can make more money selling gasoline.

That dip in supply has led to asphalt shortages and delayed road projects across the country, but the Delaware Department of Transportation (DelDOT) has not been directly affected by asphalt prices, said Mike Williams, DelDOT manager of public relations.

All DelDOT's paving projects are bid out to private contractors, so the state is not buying any asphalt, Williams said. But Delaware's roads are indirectly affected because higher prices lead to more expensive bids, which forces the state to take on fewer paving projects to stay within its budget, he said.

It is up to contractors to make cuts so they can offer competitive bids, he said, but all road work

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must meet the department's standards, so high asphalt prices will not lead to shoddy paving.

Bidding contracts has become very complicated because today's asphalt prices change almost daily, said Dusty Friedman, owner of B and F Paving in Hockessin.

His company used to guarantee its prices for the duration of a commercial job, but he is now forced to levy surcharges onto customers if asphalt jumps significantly during a project. However, Friedman insists on sticking to quoted prices for residential clients, even though that can cost him \$400 on a driveway when asphalt prices climb a few dollars during the day.

Even so, more people are putting off paving until prices come down, Friedman said. His company usually has a three-week backlog of projects, but now he only has a week of guaranteed work.

He is worried the problem is only going to get worse.

"After people heat their homes this winter and fill up their gas tanks to get to and from work, they may not be able to afford paving," he said.

Richard Piendak, president of Richards Paving in New Castle, agrees

Customers are in danger of hitting the pavement when they see today's pavement prices, he said, as he has been forced to raise prices 40 percent to keep up with asphalt costs. In 35 years in the industry, he's never seen prices rise this quickly.

Piendak doesn't like being at the mercy of his suppliers, so he actually recycles asphalt. Instead of breaking it up to discard it before repaving a driveway, Piendak's company uses machines that grind up existing asphalt to re-use it in the project. He hauls away any unused asphalt, melts it down and recycles it into new asphalt at his Wilmington plant.

Richards Paving has been recycling for 16 years, but Piendak said more customers are interested today, because it can reduce their bill by 25 percent.

Another environmentally friendly benefit: recycling onsite reduces fuel, and therefore pollution.

"Like any other challenge in business, you be proactive, find out what the trends are and stay a step ahead," he said.