

SECTION 690 - FUEL PRICE ADJUSTMENT

Revisions to Subsection 690.01(f) approved at January 7, 2014 Specifications Committee meeting.

If needed for applicable Special Provision or other items add:

- XX. In addition to materials produced under Contract pay item(s) included in Table 1 Pay Item Fuel Usage Factors and Quantity Thresholds as allowed under this Section, fuel usage under Contract item 900.680 Special Provision (Bituminous Concrete Pavement, Small Quantity) will be included for adjustment, utilizing the Fuel Usage Factors for item 490.30 in Table 1.
- XX. SECTION 690 - FUEL PRICE ADJUSTMENT, is hereby made a new Section of the Specifications as follows:
- XX. 690.01 GENERAL REQUIREMENTS AND CONDITIONS
- (a) This specification contains price adjustment provisions for fuel used on Vermont Agency of Transportation (Agency) construction projects. This price adjustment clause is being inserted in this Contract to provide for either additional compensation to the Contractor or a payment to the Agency, depending upon an increase or decrease in the average price of diesel fuel or gasoline during the construction of this project.
 - (b) These provisions apply to this Contract only as specified herein through the fuel usage factors set forth in Table 1. No further fuel price adjustments will be allowed under this Contract.
 - (c) It is understood by the Contractor that a price adjustment increase may cause the Agency to decrease the quantities of the Contract pay items subject to adjustment under these provisions. Provisions providing for decreased quantities and item cancellation in this paragraph are separate and take precedence, notwithstanding any other provisions of this Contract.
 - (d) No price adjustment will be paid for work performed after the Contract Completion Date, as modified by Change Order, if applicable.
 - (e) Price Adjustment, Fuel will be determined for a pay item if each of the following criteria is met:
 - (1) the pay item is included in the original awarded Contract;
 - (2) the original awarded Contract bid quantity for the pay item equals or exceeds the quantity threshold indicated in Table 1.
 - (f) Any increase in the total Contract amount due to fuel price adjustment will not be justification for an extension of time under Subsection 108.11.

In such cases that estimated quantities are used to determine estimated fuel price adjustments throughout the duration of the Contract, reconciliation of those estimated adjustments will be made upon the determination of actual final quantities and final adjustments to the total final quantity made by prorating those estimated adjustments over the applicable fuel price adjustment

periods previously paid. Reconciliation of any fuel price adjustment will only be performed in those instances where the actual final quantity differs by more than five percent from the total estimated quantity. Payments owed to either the Contractor or VTrans will not be subject to any applicable interest claims.

XX. 690.02 PRICE ADJUSTMENT PROCEDURES

- (a) Prior to advertising for bids, Index Prices for both a gallon of diesel fuel and a gallon of gasoline will be established by the Agency using retail prices reported by the Energy Information Administration (EIA) for the New England Region. The Index Prices will be set monthly using the first EIA posting falling either on or after the 1st calendar day of that month. The Contract Index Prices will be the most recent Index Prices set by the Agency at the time of advertising for bids. These prices are included below and will be the base from which price adjustments are computed.

The index price (retail) for gasoline is \$x.xx per gallon. The index price (retail) for diesel fuel is \$x.xx per gallon.

- (b) For the duration of the Contract, Posted Prices for both a gallon of diesel fuel and a gallon of gasoline will be established monthly by the Agency. The Posted Prices will be established in the same manner as the Index Prices.
- (c) A Price Adjustment will be paid or credited for diesel fuel and/or gasoline only when the Posted Price of diesel fuel and/or gasoline increases or decreases 5 percent or more over its respective Index Price.
- (d) Payment for Price Adjustment, Fuel will be based upon the quantity of fuel incorporated in the work as determined by the fuel usage factors in Table 1 of this specification for both diesel fuel and gasoline, multiplied by the algebraic difference between the Posted Price and the Index Price for either diesel fuel or gasoline, respectively.
- (e) Payment for Price Adjustment, Fuel shall be computed as follows:

PA = Price Adjustment (LU in \$)
IPD = Index Price, Diesel Fuel (\$/gallon)
IPG = Index Price, Gasoline (\$/gallon)
PPD = Posted Price, Diesel Fuel (\$/gallon)
PPG = Posted Price, Gasoline (\$/gallon)
FUFD = Fuel Usage Factor, Diesel Fuel (gallon/unit)
FUFG = Fuel Usage Factor, Gasoline (gallon/unit)

For PPD/IPD ≤ 0.95 or ≥ 1.05 and PPG/IPG > 0.95 and < 1.05 :
PA = FUFD X Pay Item Quantity X (PPD - IPD)

For PPD/IPD > 0.95 and < 1.05 and PPG/IPG ≤ 0.95 or ≥ 1.05 :
PA = FUFG X Pay Item Quantity X (PPG - IPG)

For PPD/IPD and PPG/IPG ≤ 0.95 or ≥ 1.05 :
PA = [FUFD X (PPD - IPD) + FUFG X (PPG - IPG)] X Pay Item Quantity

- (f) The Contract bid prices for the applicable pay items will be paid under the Contract. The price adjustment, when such adjustment

is required as specified in part (c) of this Subsection, will be made subsequent to the month in which the applicable Contract work was performed and will be entered on the next bi-weekly estimate.

- (g) Payment for Price Adjustment, Fuel shall be debited or credited against the Contract price (Lump Unit) bid for Price Adjustment, Fuel.

Payment will be made under:

<u>Pay Item</u>	<u>Pay Unit</u>
690.50 Price Adjustment, Fuel (N.A.B.I.)	Lump Unit

Table 1
Pay Item Fuel Usage Factors and Quantity Thresholds

Work Category	Pay Item No.	Usage Factor Units		Diesel Fuel (FUF D)		Gasoline (FUF G)		Quantity Threshold	
		Metric	English	Metric	English	Metric	English	Metric	English
Excavation	203.15	GAL/CM	GAL/CY	0.38	0.29	0.2	0.15	2,500	3,000
	203.16	GAL/CM	GAL/CY	0.51	0.39	0.24	0.18	2,000	2,500
	204.25	GAL/CM	GAL/CY	0.46	0.35	0.21	0.16	2,000	2,500
	208.30	GAL/CM	GAL/CY	0.46	0.35	0.21	0.16	1,500	2,000
	208.35	GAL/CM	GAL/CY	0.51	0.39	0.24	0.18	1,500	2,000
Borrow	203.30	GAL/CM	GAL/CY	0.38	0.29	0.20	0.15	2,500	3,000
	203.31	GAL/CM	GAL/CY	0.38	0.29	0.20	0.15	2,500	3,000
	203.32	GAL/CM	GAL/CY	0.38	0.29	0.20	0.15	2,500	3,000
Granular Backfill For Structures	204.30	GAL/CM	GAL/CY	1.31	1.00	0.21	0.16	1,200	1,500
Cold Planing, Bituminous Pavement	210.10	GAL/SM	GAL/SY	0.16	0.12	0	0	11,000	15,000
Subbase	301.25	GAL/CM	GAL/CY	1.11	0.85	0.73	0.56	750	1,000
	301.35	GAL/CM	GAL/CY	1.11	0.85	0.73	0.56	750	1,000
Reclaimed Stabilized Base Pavement	310.20	GAL/SM	GAL/SY	0.05	0.04	0	0	30,000	35,000
	406.25	GAL/T	GAL/TON	3.37	3.06	0.95	0.86	450	500
	406.27	GAL/T	GAL/TON	3.37	3.06	0.95	0.86	450	500
Concrete	490.30	GAL/T	GAL/TON	3.37	3.06	0.95	0.86	450	500
	501.32	GAL/CM	GAL/CY	0.98	0.75	0.33	0.25	750	1,000
	501.33	GAL/CM	GAL/CY	0.98	0.75	0.33	0.25	750	1,000
Stone Fill	501.34	GAL/CM	GAL/CY	0.98	0.75	0.33	0.25	750	1,000
	613.10	GAL/CM	GAL/CY	0.51	0.39	0.24	0.18	1,500	2,000
	613.11	GAL/CM	GAL/CY	0.51	0.39	0.24	0.18	1,500	2,000
	613.12	GAL/CM	GAL/CY	0.51	0.39	0.24	0.18	1,500	2,000
Guardrail	613.13	GAL/CM	GAL/CY	0.51	0.39	0.24	0.18	1,500	2,000
	621.20	GAL/M	GAL/LF	0.59	0.18	0.16	0.05	1,500	5,000
	621.205	GAL/M	GAL/LF	0.59	0.18	0.16	0.05	1,500	5,000
	621.21	GAL/M	GAL/LF	0.59	0.18	0.16	0.05	1,500	5,000
	621.215	GAL/M	GAL/LF	0.59	0.18	0.16	0.05	1,500	5,000