

SECTION 690 - FUEL PRICE ADJUSTMENT

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.

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)
FUFDD = Fuel Usage Factor, Diesel Fuel (gallon/unit)
FUFGG = Fuel Usage Factor, Gasoline (gallon/unit)

For PPD/IPD \leq 0.95 or \geq 1.05 and PPG/IPG $>$ 0.95 and $<$ 1.05:
PA = FUFDD X Pay Item Quantity X (PPD - IPD)

For PPD/IPD $>$ 0.95 and $<$ 1.05 and PPG/IPG \leq 0.95 or \geq 1.05:
PA = FUFGG X Pay Item Quantity X (PPG - IPG)

For PPD/IPD and PPG/IPG \leq 0.95 or \geq 1.05:
PA = [FUFDD X (PPD - IPD) + FUFGG 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) | | Gasoline (FUF) | | 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 |