

ITEM #1600002A - FUEL COST ADJUSTMENT

The Fuel Price is available on the Department of Transportation web site at:

<http://www.ct.gov/dot/matladj>

This provision covers the method of price adjustment for increases and decreases associated with diesel fuel that is purchased and consumed in the performance of the contract work.

- a) The number of gallons of diesel fuel represented in the calculation for the fuel cost adjustment will be equal to 1.5 percent (0.015) of the dollar amount of contract work
- b) No other fuel types will be eligible for or used to determine fuel price adjustments for this contract
- c) Fuel cost adjustments will be made upward or downward, only when the difference between the *Fuel Base Price* and *Fuel Period Price* is in excess of five percent (5%).

The Connecticut Department of Transportation will furnish the *Fuel Price* using the latest published selling price, in cents per gallon for “Diesel Fuel No. 2, Ultra Low Sulfur” as listed under Pad 1, City of New Haven - Rack Average by the Oil Price Information Service (OPIS).

The *Fuel Base Price*: The price in cents per gallon which is posted by the Department of Transportation and is in effect that is 28 days prior to actual bid opening date.

The *Fuel Period Price*: The average calculated price representing the payment estimate period using the daily prices in cents per gallon posted by the Department of Transportation.

The dollar value representing payments for incentives or other payment adjustments such as liquidated damages, asphalt, fuel, reinforcing steel or cement adjustments, or sanctions will not be considered as part of the dollar amount of contract work completed for an estimate period (Q)

A fuel cost adjustment will be paid in accordance with the payment estimate schedule.

The “Factor” used in formula to determine the fuel cost adjustment is calculated as follows:

1. The *Fuel Period Price* is greater than the *Fuel Base Price*:

$$\text{Factor} = (\text{Period Price} / \text{Base Price}) - 1.05$$

If Factor is equal to or less than “0”, then no cost adjustment applies.

If Factor is greater than “0”, then an adjustment applies using formula below.

2. The *Fuel Period Price* is less than the *Fuel Base Price*:

$$\text{Factor} = (\text{Period Price} / \text{Base Price}) - 0.95$$

If Factor is equal to or greater than “0”, then no cost adjustment applies.

If Factor is less than “0”, then an adjustment applies using formula below.

Formula: $\text{Factor} \times 0.015(Q) \times \frac{\text{Base Price}}{100} = \$ \underline{\hspace{2cm}}$

Where; Q = Dollar amount of work completed for an estimate period
 * 0.015 = coefficient to convert dollar value of work (Q) to gallons

If adjustments are made in the contract quantities, the contractor shall accept any fuel adjustment as full compensation for increases or decreases in the price of fuel regardless of the amounts of overrun or under run.

No additional compensation will be made for any additional charges, costs, expenses, etc., which the contractor may have incurred since the time of bidding and which may be the result of any fluctuation in the base index price of diesel fuel.

Basis of Payment: The “Fuel Cost Adjustment” will be calculated using the formulas indicated above. A payment will be made for an increase in costs. A deduction from monies due the contractor will be made for a decrease in costs.

The sum of money shown on the estimate, and in the itemized proposal as “Estimated Cost”, for this item will be considered the bid price although payment will be made as described above. The estimated cost figure is not to be altered in any manner by the bidder. If the bidder should alter the amount shown, the altered figure will be disregarded and the original cost figure will be used to determine the amount of the bid for this Contract.

<u>Pay Item</u>	<u>Pay Unit</u>
Fuel Cost Adjustment	EST.