

Scope of Payment

(December 4, 2006)

Use requires Region Construction Manager Approval and concurrence from HQ Construction Administration. At the Region's discretion, use in projects with more than 200 working days that include any of the bid items that are eligible for adjustment. Include an estimated amount for the bid item "Fuel Cost Adjustment" in the Engineers Estimate. Only the items described below are eligible for adjustment.

(2 or more fill-ins) Fill-ins are the bid items that are eligible for adjustment, and fuel usage factors for those bid items.

To determine which Bid Items are eligible for Adjustment:

If the bid proposal contains items that fit the description of the items listed below, then those bid items are eligible for adjustment.

<u>Eligible Bid Item</u>	<u>Fuel Usage Factor</u>
___ Excavation Incl. Haul, per cubic yard	0.29 gal/cy
___ Excavation Incl. Haul – Area ___ per cubic yard	0.29 gal/cy
___ Borrow Incl. Haul, per cubic yard	0.25 gal/cy
___ Borrow Incl. Haul, per ton	0.17 gal/ton
Structure Excavation Class ___ Incl. Haul, per cubic yard	0.25 gal/cy
Shoring or Extra Excavation Class A _____, lump sum	0.04 gal/dollar
Crushed Surfacing _____, per ton	0.70 gal/ton
Crushed Surfacing _____, per cubic yard	1.02 gal/cy
Processing and Finishing, per mile	270 gal/mile
Agg. From Stockpile for BST, per cubic yard	0.61 gal/cy
Furnishing and Placing Crushed _____, per cubic yard	1.02 gal/cy
HMA Cl. _____ PG _____, per ton	2.90 gal/ton
HMA for _____, per ton	2.90 gal/ton
Commercial HMA, per ton	2.90 gal/ton
Cement Concrete Pavement, per cubic yard	1.0 gal/cy
Cement Concrete Pavement - Including Dowels, per cubic yard	1.0 gal/cy
Concrete Class _____, per cubic yard	1.0 gal/cy
Commercial Concrete, per cubic yard	1.0 gal/cy
Superstructure _____, lump sum	0.02 gal/dollar
St. Reinf. Bar, per pound	0.02 gal/Lb
Epoxy-Coated St. Reinf. Bar, per pound	0.02 gal/Lb

Determine the Engineers Estimate for the bid item "Fuel Cost Adjustment":

Base Fuel Cost and Estimated Monthly Fuel Cost:

Obtain the most current monthly fuel price for **West Coast No. 2 Diesel** from the Department of Energy website at: <http://tonto.eia.doe.gov/oog/ftp/area/wogirs/xls/psw18vwall.xls>. Use that value as the Base Fuel Cost.

Multiply the Base Fuel Cost by the appropriate Contract Duration Factor (below) to determine the Estimated Monthly Fuel Cost.

Contract Duration	1 yr > 2 yr	2 yr > 3yr	3yr > 4 yr	4yr > 5 yr
Contract Duration Factor	1.25	1.37	1.49	1.62

Estimate the amount of the Adjustment:

Use the formulas below.

$$\text{Adjustment} = \frac{(\text{Est. Monthly Fuel Cost} - (1.1 \times \text{Base Fuel Cost})) \times Q}{100}$$

Where Q = Σ ((Fuel Usage Factor) x (Total Quantity of each Eligible Bid Item)) for all Eligible Bid Items.

Sample Calculation:

My project is 250 working days. It contains 10,000 tons of HMA Cl. 1/2" PG 70-22, and 500 tons of CSBC.

HMA Cl. 1/2" PG 70-22 is Eligible for Adjustment.

Crushed Surfacing Base Course is Eligible for Adjustment.

From Dept of Energy site: most recent Monthly Fuel Cost = 306.05 cents per gallon.

Therefore:

Base Fuel Cost = 306.05 cents/gal

Est. Monthly Fuel Cost = Base Fuel Cost x Contract Duration Factor

Est. Monthly Fuel Cost = 306.05 x 1.25 = 382.56 cents/gal

Q = (0.70 gal/ton x 500 tons) + (2.90 gal/ton x 10,000 tons)

Q = 29350 gal

$$\text{Adjustment} = \frac{(382.56 \text{ cents/gal} - (1.1 \times 306.05 \text{ cents/gal})) \times 29350 \text{ gal}}{100 \text{ cents/dollar}}$$

Adjustment = \$13,471.65 = \$13,500