

1 **(November 9, 2009)**

2 **Scope of Payment**

3 Section 1-09.3 is supplemented with the following:

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5 ***Fuel Cost Adjustment***

6 **General**

7 The Contracting Agency will make a fuel cost adjustment, either a credit or a
8 payment, for qualifying changes in the index price of on-highway diesel fuel. The
9 adjustment will be applied to partial payments made according to Section 1-09.9.

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11 The adjustment is not a guarantee of full compensation for fuel price changes. Any
12 adjustment provided by this provision shall not obligate the Contracting Agency for
13 any costs due solely to changes in fuel costs beyond the amount adjusted by this
14 provision. The Contracting Agency does not guarantee that fuel will be available at
15 the base fuel cost or monthly fuel cost. No additional adjustment will be made for
16 rates of fuel consumption or actual fuel types that differ from those specified for the
17 purpose of determining the adjustment.

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19 For the purpose of determining the adjustment, the Base Fuel Cost shall be the
20 *Weekly U.S. On-Highway Diesel Fuel Price for West Coast No. 2 Diesel Retail*
21 *Sales by All Sellers (Cents per Gallon)* dated on the nearest Monday occurring
22 three weeks prior to the date that bids are opened, published by the Energy
23 Information Administration (Department of Energy), available at:
24 <http://tonto.eia.doe.gov/oog/ftp/area/wogirs/xls/psw18vwall.xls>. The Base Fuel Cost
25 is fixed for the duration of the contract and will be used for determining all
26 adjustments.

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28 The Monthly Fuel Cost shall be the most recent *Monthly U.S. On-Highway Diesel*
29 *Fuel Price for West Coast No. 2 Diesel Retail Sales by All Sellers (Cents per*
30 *Gallon)*, published by the Energy Information Administration (Department of
31 Energy). If the specified index ceases to be available for any reason, the
32 Contracting Agency at its discretion will select and begin using a substitute price
33 source or index to establish the Monthly Fuel Cost.

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35 **Measurement**

36 No adjustment will be made if the Monthly Fuel Cost is within 10 percent of the
37 Base Fuel Cost. No adjustment will be made for work performed after the
38 authorized Time for Completion.

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40 If the Monthly Fuel Cost is greater than or equal to 110% of the Base Fuel Cost,
41 then:

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

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46 If the Monthly Fuel Cost is less than or equal to 90% of the Base Fuel Cost, then:

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$$\text{Adjustment} = \frac{(\text{Monthly Fuel Cost} - (0.90 \times \text{Base Fuel Cost})) \times Q}{100}$$

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Where $Q = \Sigma ((\text{Fuel Usage Factor for each Eligible Bid Item}) \times (\text{Quantity paid in the current months progress estimate for each Eligible Bid Item}))$ for all Eligible Bid Items listed below:

<u>Eligible Bid Item</u>	<u>Fuel Usage Factor</u>
*** \$\$1\$\$ ***	*** \$\$2\$\$ ***
*** \$\$3\$\$ ***	*** \$\$4\$\$ ***

Payment

Payment will be made in accordance with Section 1-04.1 for the following bid item included in the bid proposal:

“Fuel Cost Adjustment”, by calculation.

To provide a common proposal for all bidders, the Contracting Agency has entered an amount in the proposal to become a part of the Contractor’s total bid.