

**STATE**

**OF**

**TENNESSEE**

(Rev. 10-01-06)

March 1, 2006

(Rev. 11-03-08)

**SPECIAL PROVISION**  
**REGARDING**  
**PAYMENT ADJUSTMENT FOR FUEL**

This special provision covers the method of payment adjustment for fuel price increases or decreases. Payment adjustments will be made in monthly increments based on the estimated fuel consumed on major items of work, the estimated price per gallon of fuel at the time of letting, and the percentage change of the Producer Price Index for Light fuel oils, Series ID Number WPU0573, published by the U.S. Department of Labor, Bureau of Labor Statistics.

The estimated price per gallon of fuel for this contract is \_\_\_\_\_

The \_\_\_\_\_ Price Index (Ib) for light fuel oils shall be used for this contract. Adjustments will be based on the price index in effect for the month in which the item was installed.

Fuel consumption for payment adjustment shall be based on the following:

Item Number	Description of Work	Gallons per unit	Unit of measure
203	Any Road and Drainage Excavation	0.25	Cubic Yard
203	Any Borrow Excavation (Rock)	0.36	Cubic Yard
203	Any Borrow Excavation (Other than Solid Rock)	0.25	Cubic Yard
203	Any Borrow Excavation (Rock)	0.16	Ton
203	Any Borrow Excavation (Other than Solid Rock)	0.11	Ton
203-05	Undercutting	0.25	Cubic Yard
203	Any Embankment (in-place)	0.25	Cubic Yard
303, 309, 312	Any Aggregate Base	0.79	Ton
313, 501	Treated Permeable Base or Lean Concrete Base	0.10	Square Yard
307	Any Bituminous Plant Mix Base (HM)	2.98	Ton
411	Any Bituminous Concrete Surface (HM)	2.98	Ton
501	Any Portland Cement Concrete Pavement		
	≤ 10 in. thickness	0.25	Square Yard
	> 10 in. thickness	0.30	Square Yard

No payment adjustment for fuel shall be made on any item of work which is not listed above.

No payment adjustment for fuel shall be made unless the price index varies five percent or more from the index indicated in this Special Provision.

Where the price index varies five percent or more, the payment adjustment will be made as follows:

$$PA = [(Ic \div Ib) - 1] \times Fe \times Fp$$

Where:

PA = Payment Adjustment (may be plus or minus)

Ic = Index for Current Month

Ib = Index for Bidding

Fe = Estimated Fuel in Gallons used based on above table and work paid for during adjustment month.  $[\sum (\text{Pay quantity} \times \text{Gallons per unit}) = Fe]$

Fp = Fuel Price for Bidding

Payment adjustment errors on items of work which have occurred because of quantity errors in previous months for which the time period in which the work was performed cannot be established will be rectified on a subsequent estimate according to the following formula:

$$Fa = \sum [(Fq \div Pq) \times Ea] - Ea$$

Where,

Fa = Final Adjustment (Item of work)

Fq = Final Quantity of work

Pq = Total Quantity of work on previous estimates

Ea = Total amount paid on previous estimates for Fuel Adjustment for this Item of work

The Project Engineer will compute the payment adjustment for fuel on work sheets similar to the ones attached and will furnish a copy of the calculations upon request to the prime contractor and approved subcontractors.

Upon the expiration of the allocated working time, as set forth in the original contract or as extended by Supplemental Agreement, all payment adjustments for fuel will discontinue, except that when the current price indexes are less than the price index for bidding, payment adjustments will continue to be made.

Payment Adjustment for fuel will be made under:

Item No.	Description	Pay Unit
109-01.01	Payment Adjustment for Fuel	Dollar



Final Payment Adjustment for Fuel Worksheet

Project No. \_\_\_\_\_

Contract No. \_\_\_\_\_

County \_\_\_\_\_

Item	Final Quantity of Work (Fq) for Specified Item	Total Quantity on Monthly Estimates (Pq) for Specified Item	Total Previous Adjustment (Ea) for Specified Item	Final Adjustment (FA) for Specified Item
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____
_____	[( _____ ÷ _____ ) x _____]	_____	_____	_____ = _____

Total Final Adjustment (Fa) = \_\_\_\_\_

$$Fa = \sum [(Fq \div Pq) \times Ea] - Ea$$