

March 2, 2009

## FUEL ADJUSTMENT INDEXES

**General:** The Bidder is advised that the Department will apply Fuel Adjustments *for specified items of work* when the Indexes for Diesel and Unleaded fuels vary more than 10% from Base Indexes established for the contract.

**Indexes:** The Department maintains Indexes for Diesel and Unleaded fuel based on fuel prices from the South Carolina Budget and Control Board – Materials Management Office, which negotiates fuel contracts for the state. The Department averages Zone 1 (upper state) and Zone 2 (lower state) prices for Diesel and Unleaded fuel to calculate the Indexes for the 1<sup>st</sup> and 17<sup>th</sup> of each month. The resulting indexes are posted in spreadsheet form on the Department's Internet site at <https://www.scdot.org/business/constructionletting-monthlyindex.aspx>.

**Base Index:** The Department sets a Base Index date for each contract subject to fuel adjustments with the date set prior to the highway letting. The Indexes for Diesel and Unleaded fuel on that Base Index date sets the framework of the 10% adjustment increments to be used for the contract. Tables showing the adjustment increments are displayed in the above noted spreadsheet (Fuel Charts tab).

**Fuel Usage Factors:** The following table shows the Fuel Usage factor (gallons of fuel per unit of work) for SCDOT work items that are subject to this specification. In order for contract work items to be eligible for index adjustments, the work item(s) must be specifically indicated in the Special Provisions of the Contract.

Items of Work Eligible for Fuel Adjustments	Units of Measure	Diesel Fuel	Unleaded Fuel
Excavation (Unclassified, Borrow, etc.)	Gallons/CY	0.29	0.15
Embankment in Place	Gallons/CY	0.29	0.15
Sand Clay Base Course 6" Uniform	Gallons/SY	0.05	0.02
Sand Clay Base Course 8" Uniform	Gallons/SY	0.06	0.03
Graded Aggregate Base Course 6" Uniform	Gallons/SY	0.10	0.06
Graded Aggregate Base Course 8" Uniform	Gallons/SY	0.13	0.06
Hot Mix Asphalt (Base, Binder, Surface Courses)	Gallons/Ton	2.90	0.71
Full Depth Patching - 4" (Fuel)	Gallons/SY	0.64	0.16
Full Depth Patching - 6" (Fuel)	Gallons/SY	0.96	0.23
Full Depth Patching - 8" (Fuel)	Gallons/SY	1.28	0.31
Full Depth Patching - 10" (Fuel)	Gallons/SY	1.60	0.39
Full Depth Patching - 12" (Fuel)	Gallons/SY	1.91	0.47
Portland Cement Concrete Pavements	Gallons/SY	0.25	0.20
Structural Concrete	Gallons/CY	1.00	0.20
Reinforced Concrete Pipe (24" or less)	Gallons/LF	0.50	0.15
Reinforced Concrete Pipe (greater than 24")	Gallons/LF	0.75	0.15

Per unit index adjustments are determined by multiplying the Fuel Usage factor by the Fuel Index Change (minimum of incremented range) for each type of fuel. The total of these two results is then applied to the construction estimate as a line item adjustment. If only one type of fuel changes in excess of 10%, then the adjustment will be based on that figure alone.

Additional Provisions:

- A. The Department will calculate and apply fuel adjustments to estimates based on index values set at the beginning of the estimate period.
- Districts 2, 3, and 5 - Estimate period begins on the 1<sup>st</sup> of the month and ends on the last day of the month. The 1<sup>st</sup> of the month Index will be compared to the contract Base Index to determine index adjustments for the estimate period.
  - Districts 1, 4, 6, and 7 - Estimate period begins on the 17<sup>th</sup> of the month and ends on the 16<sup>th</sup> day of the following month. The 17<sup>th</sup> of the month Index will be compared to the contract Base Index to determine index adjustments for the estimate period.
- B. In the event the work (on a contract item subject to fuel adjustments) continues after expiration of the contract completion date, the fuel indexes in effect on the contract completion date will become the ceiling (or maximum) of indexes to be applied for the work. Lower indexes will be applied, while higher indexes will be limited to the ceiling noted.
- C. This provision shall apply to supplemental agreements, overruns and extensions to this project for the specified item(s) to be adjusted.
- D. The Base Index, Current Index and Adjustments may be referenced directly on the Department's Index spreadsheet at <https://www.scdot.org/business/constructionletting-monthlyindex.aspx>.