

STATE

OF

TENNESSEE

(Rev. 11-3-08)

January 1, 2021

SPECIAL PROVISION
REGARDING
MOWING
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, Table 6, published by the U.S. Department of Labor, Bureau of Labor Statistics.

The estimated price per gallon of fuel for this contract is \$1.48.

The October 2020 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 of work was done.

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

<u>Item No.</u>	<u>Description</u>	<u>Gallons/Pay Unit</u>
806-01	Mowing	2.00/Acre

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. [Pay quantity x Gallons]

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:

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

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

Monthly Payment Adjustment for Fuel Worksheet

Project No. _____ Contract No. _____

County _____

Fuel Price _____ Price Index Bidding _____ Current Price Index _____

Estimate Period: Work Performed _____ Adjustment Paid _____
(Month/Year)

Item	Unit	Quantity	Fuel Factor	Total Fuel
_____	_____	_____	x _____ =	_____
_____	_____	_____	x _____ =	_____

Total Fuel for Month (Fe) = _____

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

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 Adjustments (Ea) for Specified Item	Final Adjustment (FA) for Specified Item
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_____ [(_____ ÷ _____) x _____] - _____ = _____

_____ [(_____ ÷ _____) x _____] - _____ = _____

Total Final Adjustment (Fa) = _____

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