

## **ORIGINATION FORM**

Date: **December 17, 2013**

Originator: **Rudy Powell**

Contact Information: **850-414-4280**

Specification Title: **Measurement and Payment- Fuels**

Specification Section, Article, or Subarticle Number: **9-2.1.1**

Why does the existing language need to be changed? **To add a sentence previously included in all jobs and is currently included in lump sum and design-build jobs. To modify the sentence included in the special provision for lump sum jobs and Division I for design-build jobs.**

Summary of the changes: **Payment for work added to a contract is stated in the work order or supplemental agreement as full and final payment so there are no adjustments for fuel. A Contingency Supplemental Agreement will not be used to add work and a Field Supplemental Agreement is no longer used.**

Are these changes applicable to all Department jobs? **Yes.**

If not, what are the restrictions?

Will these changes result in an increase or decrease in project costs? **n/a**

If yes, what is the estimated change in costs?

With who have you discussed these changes? **Final Estimates and Specifications**

What other offices will be impacted by these changes?

Are changes needed to the PPM, Design Standards, SDG, CPAM or other manual? **No**

Are all references to external publications current? **Yes**

If not, what references need to be updated (please include changes in the redline)?

Is a Design Bulletin, Construction Memo, or Estimates Bulletin needed? **No**

Contact the State Specifications Office for assistance in completing this form.

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### **M E M O R A N D U M**

**DATE:** December 18, 2013

**TO:** Specification Review Distribution List

**FROM:** Daniel Scheer, P.E., State Specifications Engineer

**SUBJECT:** Proposed Specification: **0090201 Measurement and Payment - Fuels.**

In accordance with Specification Development Procedures, we are sending you a copy of a proposed specification change.

This change was proposed by Rudy Powell of the State Construction Office to clarify that price adjustments for fuel will not be made for supplemental agreements or work orders. This language was in the specification previously and was inadvertently deleted.

Please share this proposal with others within your responsibility. Review comments are due within four weeks and should be sent to Mail Station 75 or to my attention via e-mail at SP965DS, or [daniel.scheer@dot.state.fl.us](mailto:daniel.scheer@dot.state.fl.us). Comments received after **January 15, 2014**, may not be considered. Your input is encouraged.

DS/dt  
Attachment

**MEASUREMENT AND PAYMENT.****(REV 12-17-13)**

SUBARTICLE 9-2.1.1 is deleted and the following substituted:

**9-2.1.1 Fuels:** The Department will, in the Contract Documents, provide an estimated quantity for fuel requirements for gasoline and diesel to cover the work specified in the Contract. Price adjustments will be made only for the amount of gasoline and diesel fuel estimated by the Department as required to complete the Contract. The requirement of each type of fuel for each pay item is estimated by multiplying the Department's standard fuel factor for that pay item by the quantity of that pay item. On Contracts with an original Contract Time in excess of 120 calendar days, the Department will make price adjustments on each applicable progress estimate to reflect increases or decreases in the price of gasoline and diesel from those in effect during the month in which bids were received. The Contractor will not be given the option of accepting or rejecting these adjustments. Price adjustments for these fuels will be made only when the current fuel price (CFP) varies by more than 5% from the price prevailing in the month when bids were received (BFP), and then only on the portion that exceeds 5%.

Price adjustments will be based on the monthly bulk average price for gas and diesel as derived by the Department. These average indexes shall be determined by averaging bulk fuel prices on the first day of each month as quoted by major oil companies that are reasonably expected to furnish fuel for projects in the State of Florida. Average price indices for gasoline and diesel will be available on the Construction Office website before the 15th of each month, at the following URL:

<http://www.dot.state.fl.us/construction/fuel&Bit/Fuel&Bit.shtm> .

*Price adjustments will not be made for items of work added by supplemental agreement or work orders.*

Payment will be based on the quantities shown on the progress estimate on all items for which established standard fuel factors are on a file maintained by the Department.

Payment on progress estimates will be adjusted to reflect adjustments in the prices for gasoline and diesel in accordance with the following:

When fuel prices have decreased between month of bid and month of this progress estimate:

$A_i = F_i (P_i - 0.95 P_b)$  during a period of decreasing prices.

$A_i$  = Total dollar amount - positive or negative - of the cost adjustment for each kind of fuel used by the Contractor during the month "i."

$F_i$  = Total gallons calculated as being used during the month.

$P_i$  = Average price for fuel prevailing during month "i."

$P_b$  = Average price for fuel prevailing during the month "b" when bids were received on this Contract.

When fuel prices have increased between month of bid and month of this progress estimate:

$A_i = F_i (P_i - 1.05 P_b)$  during a period of increasing prices.

$A_i$  = Total dollar amount - positive or negative - of the cost adjustment for each kind of fuel used by the Contractor during the month "i."

$F_i$  = Total gallons calculated as being used during the month.

$P_i$  = Average price for fuel prevailing during month "i."

Pb = Average price for fuel prevailing during the month "b" when bids were received on this Contract.

Payment will be made on the current progress estimate to reflect the index difference at the time work was performed.

Adjustments will be paid or charged to the Prime Contractor only. Any Contractor receiving an adjustment under this provision shall distribute the proper proportional part of such adjustment to subcontractors who perform applicable work.