

Construction Memo No. 15-00

MEMO TO: Chief District Engineer
TEBM's for Construction
District Construction Engineer
Resident Engineers
Active Consultant Engineers

FROM: Dexter Newman, P. E. Director
Division of Construction

DATE: October 3, 2000

SUBJECT: Renewed Mowing Contracts
Fuel Price Adjustment

Similarly to Subsection 109.07 of the Standard Specifications, the Department is making an adjustment to offset the fluctuating costs of diesel fuel on the subject projects. Attached is a sample change order that includes the formula to be used as well as the listing of applicable projects. Please apply the change order retroactively to all year 2000 mowing cycles.

DN:TCB

cc: J. M. Yowell
Cliff Linkes
Rick Stansel
Chuck Knowles
J. D. Stone
Gary Sharpe
Simon Cornett
Steve Goodpaster
C. O. Engineers
KAHC
FHWA

TC 63-1
Rev. 11/86 Mod.

Change Order No.
Encumbrance No.
TC 10 No.

PEN
Road

Proposed Items of Supplemental Agreement:

Time Extension/Explanation: [Click Here for Explanation Page](#)

Total Amount

The Department will adjust the Contractor's compensation when the average price of diesel fuel increases or decreases more than 5 percent. The change in average fuel price is the average reseller price of diesel fuel, excluding taxes, discounts, and superfund line items, in the Kentucky region for November of 1999 compared to the average reseller price of diesel fuel, excluding taxes, discounts, and superfund line items, in the Kentucky region for the month that the Contractor started the mowing cycle. (continued)

Commissioner	Date
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By: _____

Date:

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
REASON FOR CHANGE ORDER

TC 63-1B
Rev. 11/86 Mod. 06/00

Page		Change Order No.	
District		Encumbrance No.	
County		PCN	
Project No.		Road	
Contractor			
Address			

Reasons for Proposed Changes:

(continued)

The Department will determine the price adjustment using the following formula:

$$\text{Fuel Price Adjustment} = E \times 0.15 \times (C-5)/100$$

Where:

E = Sum of amounts earned for the bid items Pre-Derby Mowing, Right-of-Way Mowing Type 2, and Right-of-Way Mowing Type 3 each month.

0.15 = The fuel cost percentage for the bid item.

C = Change in average fuel price for that month in percent.

Payments and Deductions. The Department will adjust the Contractor's compensation, under one lump sum price for "Fuel Price Adjustment" for each mowing cycle. The Department will make the final adjustment of the Contractor's compensation on the final estimate for the project.

If later price decreases indicate that the Department made an overpayment, the Department will withhold the overpayment from succeeding pay estimates on the project, or the Contractor shall immediately refund the over payment to the Department.

When the Contractor performs work any month after the month that the Contract time (including all approved time extensions) expires, the Department will use the average price for the month that the Contractor places the material or the average price for the last month of the Contract time; whichever is least.

MOWING PROJECTS CURRENT as of 10/2000

DISTRICT	PCN	PROJNUMBER
1	990090	FE01 121 DW99 0000022
1	990091	FE01 121 DW99 0000025
1	990147	FE01 121 DW99 0000002
1	990147	FE01 121 DW99 0000002
1	990288	FE01 121 DW99 0000023
1	990296	FE01 121 DW99 0000024
2	990084	FE01 121 DW99 0000004
2	990289	FE01 121 DW99 0000003
2	990289	FE01 121 DW99 0000003
2	990289	FE01 121 DW99 0000003
3	990092	FE01 121 DW99 0000028
3	990092	FE01 121 DW99 0000028
3	990093	FE01 121 DW99 0000031
3	990093	FE01 121 DW99 0000031
3	990155	FE01 121 DW99 0000026
3	990155	FE01 121 DW99 0000026
3	990156	FE01 121 DW99 0000029
3	990157	FE01 121 DW99 0000032
3	990297	FE01 121 DW99 0000027
3	990297	FE01 121 DW99 0000027
3	990297	FE01 121 DW99 0000027
3	990298	FE01 121 DW99 0000030
3	990299	FE01 121 DW99 0000033
3	990299	FE01 121 DW99 0000033
4	990094	FE01 121 DW99 0000034
4	990095	FE01 121 DW99 0000037
4	990095	FE01 121 DW99 0000037
4	990096	FE01 121 DW99 0000040
4	990096	FE01 121 DW99 0000040
4	990097	FE01 121 DW99 0000043
4	990097	FE01 121 DW99 0000043
4	990148	FE01 121 DW99 0000005
4	990148	FE01 121 DW99 0000005
4	990148	FE01 121 DW99 0000005
4	990158	FE01 121 DW99 0000035
4	990158	FE01 121 DW99 0000035
4	990159	FE01 121 DW99 0000038
4	990159	FE01 121 DW99 0000038
4	990160	FE01 121 DW99 0000041
4	990160	FE01 121 DW99 0000041
4	990161	FE01 121 DW99 0000044

4	990161	FE01 121 DW99 0000044
4	990290	FE01 121 DW99 0000006
4	990290	FE01 121 DW99 0000006
4	990290	FE01 121 DW99 0000006
4	990300	FE01 121 DW99 0000036
4	990300	FE01 121 DW99 0000036
4	990301	FE01 121 DW99 0000039
4	990301	FE01 121 DW99 0000039
4	990302	FE01 121 DW99 0000042
4	990302	FE01 121 DW99 0000042
5	990086	FE01 121 DW99 0000010
5	990086	FE01 121 DW99 0000010
5	990098	FE01 121 DW99 0000046
5	990098	FE01 121 DW99 0000046
5	990099	FE01 121 DW99 0000049
5	990099	FE01 121 DW99 0000049
5	990149	FE01 121 DW99 0000008
5	990150	FE01 121 DW99 0000011
5	990150	FE01 121 DW99 0000011
5	990150	FE01 121 DW99 0000011
5	990162	FE01 121 DW99 0000047
5	990162	FE01 121 DW99 0000047
5	990291	FE01 121 DW99 0000009
5	990304	FE01 121 DW99 0000048
5	990304	FE01 121 DW99 0000048
6	990087	FE01 121 DW99 0000013
6	990100	FE01 121 DW99 0000052
6	990100	FE01 121 DW99 0000052
6	990101	FE01 121 DW99 0000056
6	990101	FE01 121 DW99 0000056
6	990102	FE01 121 DW99 0000058
6	990102	FE01 121 DW99 0000058
6	990164	FE01 121 DW99 0000053
6	990164	FE01 121 DW99 0000053
6	990165	FE01 121 DW99 0000055
6	990165	FE01 121 DW99 0000055
6	990306	FE01 121 DW99 0000054
6	990306	FE01 121 DW99 0000054
6	990314	FE01 121 DW99 0000078
7	990103	FE01 121 DW99 0000061
7	990103	FE01 121 DW99 0000061
7	990104	FE01 121 DW99 0000064
7	990104	FE01 121 DW99 0000064
7	990105	FE01 121 DW99 0000067

7	990105	FE01 121 DW99 0000067
7	990109	FE01 121 DW99 0000079
7	990109	FE01 121 DW99 0000079
7	990151	FE01 121 DW99 0000014
7	990169	FE01 121 DW99 0000068
7	990169	FE01 121 DW99 0000068
7	990292	FE01 121 DW99 0000012
7	990292	FE01 121 DW99 0000012
7	990292	FE01 121 DW99 0000012
7	990308	FE01 121 DW99 0000060
7	990308	FE01 121 DW99 0000060
7	990309	FE01 121 DW99 0000063
7	990309	FE01 121 DW99 0000063
7	990310	FE01 121 DW99 0000066
7	990310	FE01 121 DW99 0000066
8	990085	FE01 121 DW99 0000007
8	990085	FE01 121 DW99 0000007
8	990085	FE01 121 DW99 0000007
8	990106	FE01 121 DW99 0000070
8	990170	FE01 121 DW99 0000071
8	990311	FE01 121 DW99 0000069
9	990088	FE01 121 DW99 0000016
9	990088	FE01 121 DW99 0000016
9	990166	FE01 121 DW99 0000059
9	990166	FE01 121 DW99 0000059
9	990294	FE01 121 DW99 0000018
10	990152	FE01 121 DW99 0000017
10	990152	FE01 121 DW99 0000017
10	990173	FE01 121 DW99 0000080
10	990173	FE01 121 DW99 0000080
10	990173	FE01 121 DW99 0000080
10	990173	FE01 121 DW99 0000080
10	990173	FE01 121 DW99 0000080
10	990173	FE01 121 DW99 0000080
10	990173	FE01 121 DW99 0000080
12	990153	FE01 121 DW99 0000020
12	990287	FE01 121 DW99 0000076
12	990287	FE01 121 DW99 0000076
12	990313	FE01 121 DW99 0000075
12	990313	FE01 121 DW99 0000075
12	990324	FE01 121 DW99 0000073
12	990324	FE01 121 DW99 0000073