



OSARC FUEL & MATERIAL ADJUSTMENT TRAINING BULLETIN

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OSARC FUEL & MATERIAL ADJUSTMENT TRAINING BULLETIN

PURPOSE

The purpose of this training bulletin is to provide information to users of the Office of State Aid Road Construction (OSARC) Contract Estimate Program and State Aid Contract personnel regarding fuel and/or material adjustment processing. This training bulletin will highlight a few common errors and assist in training new personnel on how to identify problems within the estimate program.

WORKSHEET FOR FUEL PRICE ADJUSTMENT

The Worksheet for Fuel Price Adjustment section will address only two types of errors, as follows:

1. Removing fuel adjustments on projects in liquidated damages
2. Mis-stated contract base prices for current period

Removing Fuel Adjustment on Projects in Liquidated Damages

To correct an estimate that is in liquidated damages but contains fuel price adjustments, try restoring the previous estimate then processing the current estimate, excluding fuel price adjustments.

If you need assistance correcting the estimate, please contact Jim Maher in the Information Technology (IT) Department at jmaher@osarc.ms.gov.

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Mis-stated Contract Base Prices for Current Period

Figure 1 is an abbreviated Notice to Bidders #6 containing April 2019 and May 2019 fuel prices. Figure 2 is an illustration of the incorrect base prices for current period. The correct prices are for any of the months during the billing period of November 2018 thru April 2019 where work was accomplished for the adjusted items. An illustration of how an incorrect entry of the contract base price or the base price for current period could affect the Contractor’s Estimate is located on page 12.

April 9, 2019 Within Payment Period

In accordance with Senate Bill No. 2241 of the Mississippi Legislature Regular Session 1981, the industry wide current petroleum products base prices for contracts to be let -in April 2019 are furnished as follows.

	<u>FUELS</u>	
	<u>Per Gallon</u>	<u>Per Liter</u>
Gasoline	\$2.3024	\$0.6082
Diesel	\$2.4780	\$0.6546

May 8, 2019 Beyond Payment Period

In accordance with Senate Bill No. 2241 of the Mississippi Legislature Regular Session 1981, the industry wide current petroleum products base prices for contracts to be let in May 2019 are furnished as follows.

	<u>FUELS</u>	
	<u>Per Gallon</u>	<u>Per Liter</u>
Gasoline	\$2.3013	\$0.6079
Diesel	\$2.5139	\$0.6641

Figure 1

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Mis-stated Contract Base Prices for Current Period (cont.)

CG_CSD-890
REV 10-92

OFFICE OF STATE AID ROAD CONSTRUCTION
MISSISSIPPI DEPARTMENT OF TRANSPORTATION
WORKSHEET FOR FUEL PRICE ADJUSTMENT

PROJECT NO.
COUNTY

CONTRACT BASE PRICE PER GALLON

DIESEL
2.4852

GASOLINE
2.1684

ESTIMATE PERIOD November 1, 2018 TO April 30, 2019

ITEM	UNIT	QUANTITY	FUEL PER UNIT		TOTAL FUEL PER ITEM	
			DIESEL	GASOLINE	DIESEL	GASOLINE
BIT. PLANT MIX(B)	TON	694.75	2.57	0.78	1.786	542
GRAN. MATL. (GY)	CY	546.00	0.88	0.57	480	311
TOTALS FOR PERIOD					2.266	853

BASE PRICES FOR CURRENT PERIOD

PRICE DIFFERENTIALS

ADJUSTMENTS=TOTAL FUEL X PRICE DIFFERENTIAL =

TOTAL FUEL ADJUSTMENT FOR PERIOD (DIESEL + GASOLINE)=

DIESEL	2.5139	GASOLINE	2.3013
(LESS THAN \$)	0.1329		
	0.00		113.36
			113.36

May 2019 gas prices calculated;
it should have been for period of
November 2018 thru April 2019.

Figure 2

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WORKSHEET FOR MATERIAL PRICE ADJUSTMENT

Test Report % Mix

One of the most common errors regarding material price adjustment is selecting the wrong % AC. The correct % mix to choose from the test report is % AC (Add), highlighted in figure 3 below. Do not choose % AC (Total) for progress estimates.

ECD- No 33 rev.- 1012a1,oa9		Burns Cooley Dennis, Inc.				Date:		
BCD Lab No.		Bituminous Mix Design Marshall				From Project:		
Project No:		Contractor:				MDOT Lab No:		
County:		Asphalt Producer:				BCD Lab No.:		
o/oAB- MOIST	2.01	2.58	2.43	1.30	1.58	1.92	Pba(mix)	0.63
	Comp.Temp.	300	Mixing Temp.	320			Pbe	4.40
ANTI STRIP	NONE	RATE 0 % By Wgt of AC.					D/B	1.11
AC SOURCE	Hunt	TSR	88.9				Gse	2.555
AC TYPE	PG67-22	Stability 2075	Flow 11	Marshall Blows 75			Gb	1.054
REMARKS: % RAP used = <u>20</u> % AC (RAP)= <u>5.50</u> % AC (Add)= <u>3.90</u> % AC (Total)= <u>5.00</u>								
Meets requirements of Designed By: -								

Figure 3

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% AC (Add) Effects Change in Material Per Unit Price

Test reports (figure 4) provide the additive percentage for each project with fuel and/or material costs. An incorrect percent mix data entry can increase or decrease the amount due to a contractor. As shown in figures 5 and 6, an error may be large enough to affect the project completion percentage, which, effects the timing of an engineering firms request for payment, i.e., at 25%, 50%, etc. (Note changes in the material per unit prices, material per item prices and the total adjustment for estimate period amounts.)

AC TYPE	PG67-22	Ni:	6	Nd:	50	Nm:	75	Unit	Quantity
REMARKS:									
% Rap Used = 15.0		% AC (RAP) = 5.50		% AC (Add) = 5.18		% FIBER: 0.00%		% AC (Total) = 6.00	
Stripping (MT-59) = <5%								Gb 1.013	

AC TYPE	PG67-22	Ni:	6	Nd:	50	Nm:	75	Unit	Quantity
REMARKS:									
% Rap 1 Used = 20.0		% AC (RAP 1) = 5.80		% AC (Add) = 4.14		% FIBER: 0.00%		% AC (Total) = 5.30	
Stripping (MT-59) = <5%								Gb 1.042	

Figure 4



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Decimal Form for Percent Mix from Test Report (cont.)

Incorrect Format - Update Sheet (Checklist)

PLEASE ENTER THE % MIX FOR THIS ITEM IN DECIMAL FORM (FOR 3.21% KEY .0321)

ADJ. CODE	ITEM NO.	DESCRIPTION	PERCENT MIX
B AI	901-S-403-D	HOT BITUMINOUS PAVEMENT SURFACE	5.3500

Correct Format - Update Sheet (Checklist)

PLEASE ENTER THE % MIX FOR THIS ITEM IN DECIMAL FORM (FOR 3.21% KEY .0321)

ADJ. CODE	ITEM NO.	DESCRIPTION	PERCENT MIX
B AI	901-5-403-D	HOT BITUMINOUS PAVEMENT SURFACE	0.0535

Figure 9

The Figure 9 above is the 2nd page of the Update Sheet (Checklist) that displays the data entered.

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Contract Base Price and Base Price for Current Period

The Notice to Bidders No. 6 is a form that contains the initial Contract base price data for fuel and petroleum-based materials and is in your Proposal and Contract Documents book. An instruction on entering the data is in chapter 6 of the Contract Estimate Program Manual found on the Help tab of OSARC’s website. Click on “Help Me with the Contract Estimate Program” then choose option 2 to download the manual.

Figures 10 and 11 are examples of the omission of the Contract Base Price and/or the Base Price for Current Period. The result is an incomplete data display, i.e., missing item numbers and calculations. Figure 12 is how it should appear when the data is entered in the proper fields.

CG CSD-881
REV 10-92

OFFICE OF STATE AID ROAD CONSTRUCTION
MISSISSIPPI DEPARTMENT OF TRANSPORTATION
WORKSHEET FOR MATERIAL PRICE ADJUSTMENT

Sheet 1 of 3

PROJECT NO. / s1-002s-oo-069-10
COUNTY
MATERIAL PG-67
CONTRACT BASE PRICE 0.0000
ESTIMATE PERIOD May 1, 2019 TO May 31, 2019

ITEM NO.	ITEM	QUANTITY	UNIT	MATERIAL PER UNIT	TOTAL MATERIAL PER ITEM
S-403-A	HOT MIX ASPHALT, (ST) (9.5 MM) % 5.23	249.030	TON	12.41	3,090

Figure 10



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S-403~.A.	HOT MIX ASPHALT, (ST)	(12.5 MM)	% 4.83	522.89

REFERENCE

BASE PRICE FOR CURRENT PERIOD

PRICE DIFFERENTIAL

ADJUSTMENT=TOTAL MATERIAL X PRICE DIFFERENTIAL:

ADJUSTMENT FOR FUEL AND OTHER MATERIALS

TOTAL ADJUSTMENT FOR ESTIMATE PERIOD

Figure 11



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CONTACT US

Hopefully, this training bulletin will assist you in identifying when an error has occurred. Contact us for additional support or general questions, see below:

If you need technical support, please contact Jim Maher at jmaher@osarc.ms.gov.

For assistance with processing the preliminary and progressive estimates contact:

Staff Officer Deryl Brown at dbrown@osarc.ms.gov

Contract Analysts: Jacqueline Miller at jmiller@osarc.ms.gov

Polly Robinson at probinson@osarc.ms.gov

For assistance with the Final estimate contact:

Staff Officer Daniel Howell at dhowell@osarc.ms.gov

Contract Analysts: Hillary White at hwhite@osarc.ms.gov

Lisa Kennedy at lkennedy@osarc.ms.gov