

**DEPARTMENT OF TRANSPORTATION AND INFRASTRUCTURE  
Province of Prince Edward Island**

**TENDER FORM AND AGREEMENT  
Revision 0**

**THIS AGREEMENT** made by and between ....., herein called the Contractor, the Party of the First Part and The Government of Prince Edward Island as represented by the Honourable Cory Deagle, herein called the Minister, the Party of the Second Part.

**WITNESS, AS FOLLOWS:**

**1. Definitions**

The definition of terms used in this Tender Form and Agreement shall conform in all respects to the definition of terms contained in the document entitled "General Provisions and Contract Specifications for Highway Construction," published by the Department of Transportation and Infrastructure of the Province of Prince Edward Island as amended on the date of closing of Tenders pursuant to this Agreement.

**2. General Covenant**

The Contractor hereby covenants and agrees with the Minister as herein provided in connection with the following work, namely:

**Project #49 – Asphalt Resurfacing 2022**  
Harbourview Dr (Section 50133, Station 100-1060)  
Wigmore Rd (Section 23802, Station 5119-5869)  
Smith Rd (Section 23001, Station 1100-1862)  
Breadalbane Rd (Section 24604, Station 906-1704)  
Peters Rd (Section 24401, Station 9782-10208)

For a total distance of 3.70 km

**This work includes:** cold planing existing asphalt (45mm) where required, placing asphalt seal B (45 mm), and all other work necessary to complete the Contract.

**TENDER CLOSES:**

**2:00 p.m., Thursday, September 22, 2022**

(Tenders shall be delivered between 8:30 am and 2:00 pm)

Queens County Highway Depot, 355 Brackley Pt. Rd., Charlottetown, PEI

**3. No Implied Contract**

It is hereby understood and agreed between the parties hereto that no implied Contract of any kind whatsoever, by, or on behalf, of the Minister shall arise or be implied from anything contained in this Contract, or from any position or situation of the parties at any time, and that this Contract made by the Minister is, and shall be, the only Contract upon which any rights against the Minister are to be founded.

**4. How Party of the First Part is Read**

Whenever this Contract is entered into by more than one party or parties of the first part, the word "Contractor" shall be read "Contractors," and pronouns in the Contract referring to the Contractors shall be read as plural and whenever a corporation is the Party of the First Part, the said pronouns shall be read accordingly.

**5. Consideration of Clauses as Covenants**

Wherever it is stipulated that anything shall be done or performed by either of the Parties hereto, it shall have the same effect and be constructed as if such Party had entered into a covenant with the other Party to do or perform the same, and as if such covenant had been expressly made on the part of the Contractor, not only on the Contractor's own behalf, but also on the behalf of the Contractor's legal representative, successors or assigns; and as if any such covenant on the part of the Minister has been made on behalf of the Minister, and the Minister's successors in office.

**6. Contractors Submission Respecting the Agreement**

The Contractor shall, as part of the Contractor's submission respecting this Contract, complete the attached Schedule B, Identification of Principles; Schedule C, Schedule of Tendered Unit Prices; Schedule D, Schedule of Equipment to be used on the work; and Schedule E, Schedule of Sub-Contractors.

The Contract including all appended schedules shall be completed in complete conformity with the instructions to bidders contained in the document entitled "General Provisions and Contract Specification for Highway Construction".

In presenting the Contractor's submission for consideration by the Minister, the Contractor understands that until, and unless, the Contract is endorsed by the Minister, no Contract between the parties shall exist and the Minister shall not be bound to endorse any Contract.

**7. Performance by Contractor**

The Contractor, at the Contractor's own expense, shall, except as herein otherwise specifically provided, furnish and provide all and every kind of labour and superintendence, services, tools, implements, machinery, plant materials, articles and whatsoever is necessary for the due execution of the work. The Contractor shall fully construct and erect the work in the most thorough, professional and substantial manner, in every respect to the satisfaction and approval of the Engineer. The Contractor shall complete the work within the time specified herein and deliver it to the Minister in the manner and upon the terms and conditions of the Contract.

## **8. Bid and Performance Security**

The Contractor hereby and herewith deposits with and delivers to the Minister, as security of the due fulfilment of the Contract, one of the following, which shall remain in effect for a minimum of 30 days after tender closing:

- a) a certified cheque equal to or greater than the amount stipulated in Schedule A – Schedule of Special Provisions, *or*
- b) a bank draft equal to or greater than the amount stipulated in Schedule A - Schedule of Special Provisions, *or*
- c) a bid format irrevocable standby letter of credit on a government approved form equal to or greater than the amount stipulated in Schedule A - Schedule of Special Provisions, *or*
- d) a bid bond equal to or greater than the amount stipulated in Schedule A - Schedule of Special Provisions. The bond shall be from a surety company authorized to carry on business in Canada guaranteeing to supply a performance bond equal to 50% of the Contract value, excluding HST and a labour and material bond equal to 25% of the Contract value, excluding HST.

Performance security must be filed with the Department before work on the project commences. This security shall be held and retained by the Minister for the due and faithful performance, observance and fulfilment by the Contractor of all the covenants, provisos, agreements, conditions and reservations in this Contract contained on the part of the Contractors to be observed, performed and complied with shall be in the form of:

- e) a certified cheque in the minimum amount of ten percent (10%) of the Contract value, excluding HST, which shall be retained until the warranty period (one (1) year after substantial completion) has elapsed, *or*
- f) a bank draft in the minimum amount of ten percent (10%) of the Contract value, excluding HST, which shall be retained until the warranty period (one (1) year substantial completion) has elapsed, *or*
- g) a performance format irrevocable standby letter of credit on a government approved form in the minimum amount of ten percent ( 10% ) of the Contract value, excluding HST, which shall be retained until the warranty period (one (1) year after substantial completion) has elapsed. A performance standby letter of credit must have an automatic renewal clause within the body of the agreement, *or*
- h) a performance bond equal to 50% of the Contract value, excluding HST and a labour and materials bond equal to 25% of the Contract value, excluding HST both of which shall be retained until the warranty period (one (1) year after substantial completion) has elapsed.

All performance security which has an expiry date which precedes the end of warranty date must be renewed prior to the time that the security would expire. The bidder will forfeit security to the Minister if the bidder fails to enter into or carry out the Contract when called upon to do so.

It is understood and agreed that the Contractor assumes risk and must bear any loss in respect to the performance security as aforesaid, occasioned by the failure or insolvency of the banks on which any cheque was drawn or in which any deposit was made in connection with the security aforesaid.

If at any time hereafter the said Contractor should make default under the said Contract, or if the Minister acting under the powers reserved in the said Contract shall determine that the said works, or any portion thereof remaining to be done, should be taken out of the hands of the Contractor and be completed in any manner or way whatsoever than by the Contractor, or if the Contractor refuses or neglects to pay for work done or materials supplied by any person in

connection with the said work, the Minister may, in either case dispose of said security for the carrying out of the construction and completion of the work of the Contract or for paying any salaries or wages for work done, or any accounts for materials supplied for the said works that may be left unpaid by the said Contractor.

In the event of any breach, default or non-performance being made or suffered by the Contractor in or in respect of any of the terms and conditions, covenants, provisions, agreements, or restrictions herein contained, which on the part of the said Contractor should be observed, performed or complied with, the said security so delivered to or deposited with the Minister or by the Minister received in respect thereof, shall by the Contractor, be forfeited absolutely to the Minister.

Upon the due and faithful performance, observance and fulfilment by the Contractor of all the terms, provisions, covenants, agreements, conditions, reservations, hereinbefore contained, on the part of the Contractor to be observed, performed and complied with, the Minister shall surrender the performance security.

**9. Minister Covenants to Pay**

In consideration of the faithful performance by the Contractor of all and singular covenants, agreements and provisions of the Contract, the Minister hereby covenants and agrees with the Contractor that, on the full completion by the Contractor of all the work as specified in the Contract, within the time specified and limited for the final completion thereof, and to the entire satisfaction of the Engineer to be evidenced by the certificate of the Engineer in writing, the said Minister will well and truly pay, or cause to be paid, to the said Contractor the amount of the Contract price, representing the actual quantities in the several items in the Schedule of Prices, identified as Schedule C to this Contract, at the unit prices or lump sum prices quoted by the Contractor. This amount paid to the Contractor as above, shall include all and every kind of work, labour, superintendence, services, tools, implements, machinery, plant materials, articles and things whatsoever necessary for the full execution and completion of the work to the entire satisfaction of the Engineer.

**10. Final Payment**

It is hereby agreed by the parties hereto that the payment of the final amount due under the Contract, and the adjustment and payment of any bills that may be rendered for work done, in accordance with any alteration in or addition to the same, shall release the Minister from any and all claims or liability on account of work performed under the said Contract or any alteration in or addition to the same.

**11. No Waiver**

It is hereby agreed that no condoning, excusing, or overlooking by the Minister, or any person acting on the Minister's behalf on previous occasions of breaches or defaults similar to that for which any action is taken or power is exercised, or forfeiture is claimed or enforced against the Contractor, shall be taken as a waiver of any provisions of the Contract, or as defeating, affecting or prejudicing in any way the right of the Minister under the Contract.

**12. Components of the Contract**

Any and all plans or drawings prepared by the Department, the document titled “General Provisions and Contract Specifications for Highway Construction”, the advertisement, the Tender Form and Agreement together with Schedule A, Schedule of Special Provisions; Schedule B, Identification of Principals; Schedule C, Schedule of Tendered Unit Prices; Schedule D, Schedule of Equipment; and Schedule E, Schedule of Sub-Contractors, as well as any addenda which may be issued by the Department pursuant to this Contract shall hereby be a part of this Contract as fully and to the same effect as if the same had been set forth at length in the body of the Contract.

**13. Completion of Work**

The Contractor agrees to complete the work on, or before **October 28, 2022**.

**14. FOIPP Clause**

1. By submitting your bid, you agree to disclosure of the information supplied, subject to the provisions of the Freedom of Information and Protection of Privacy Act (FOIPP).
2. Anything submitted in your bid that you consider to be "confidential information" because of its proprietary nature should be marked as "confidential" and will be subject to appropriate consideration under the Freedom of Information and Protection of Privacy Act.
3. During the delivery and installation of goods and/or services, you may have access to confidential or personal information. Should this occur, you must ensure that such information is not released to any third party or unauthorized individual.
4. Any information provided on this Contract may be subject to release under the Freedom of Information and Protection of Privacy Act. You will be consulted prior to the release of any information.

**15. Work Conditions**

The Contractor agrees to accept sole responsibility to comply with all federal, provincial and municipal legislation which may have application to the Work and agrees to comply with all provincial and federal legislation affecting conditions of work and wage rates including the Employment Standards Act R.S.P.E.I. 1988, Cap. E-6.2, the Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1, or any other laws that impose obligations in the nature of employers' obligations. The Contractor agrees to follow the Public Service Commission Human Resource Policies 9.05 Violence in the Workplace Policy; 9.08 Drug, Alcohol, and Medication Policy, and 11.01 Policy for the Prevention and Resolution of Harassment in the Workplace while working on Government sites, in Government vehicles or alongside Government staff.

[https://psc.gpei.ca/sites/psc.gpei.ca/files/HRPolicy/HRManual\\_9.05.pdf](https://psc.gpei.ca/sites/psc.gpei.ca/files/HRPolicy/HRManual_9.05.pdf)

<https://psc.gpei.ca/sites/psc.gpei.ca/files/9.08%20DrugAlcoholAndMedicationPolicy.pdf>

[https://psc.gpei.ca/files/PDF%20Files/hrp-manual/hrppm\\_11.01.pdf](https://psc.gpei.ca/files/PDF%20Files/hrp-manual/hrppm_11.01.pdf)

The Contractor agrees to accept the full cost of doing those things required under this paragraph and will not charge or seek reimbursement from the Owner in any way, such costs having been taken into consideration and included in the rates of payment stipulated in this Agreement.

**IN WITNESS WHEREOF** the parties hereto have hereby caused these presents to be signed and sealed on the dates stated.

SIGNED, SEALED AND DELIVERED  
by the Contractor on the [     ] day  
of [                             ], 20[    ].

SIGNED, SEALED AND DELIVERED  
by the Minister on the [     ] day  
of [                             ], 20[    ].

CONTRACTOR

MINISTER

.....  
(Authorized Signing Officer)

.....

In the presence of:

In the presence of:

.....  
(Witness Signature)

.....  
(Witness Signature)

**SCHEDULE A  
SCHEDULE OF SPECIAL PROVISIONS**

**1) INSTRUCTIONS TO BIDDERS**

The stipulated bid security amount shall be a minimum of **\$52,000.00**. Upon award, the successful Contractor shall replace the Bid Security with the Performance Security.

A mandatory preconstruction meeting between the successful Contractor and the Department shall be held in advance of construction startup, location to be determined.

The Department may require a levelling course of hot mix be placed prior to placement of the seal coat. No additional compensation shall be provided for this work.

**2) WORK LOCATIONS**

**Harbourview Dr (Section 50133, Station 100-1060)**

This section commences at the intersection 100 metres from the intersection of Rte 6 and Harbourview Dr and proceeds northeast for a distance of 960 metres. This section shall be cold planed (45mm) prior to placement of asphalt seal.

**Wigmore Rd (Section 23802, Station 5119-5869)**

This section commences at the intersection of Princtown Rd and Wigmore Rd and proceeds north for a distance of 750 metres.

**Smith Rd (Section 23001, Station 1100-1862)**

The section commences approximately 1,100 metres north from the intersection of Rte 2 and Smith Rd and proceeds north for a distance of 762 metres.

**Breadalbane Rd (Section 24604, Station 906-1704)**

This section commences approximately 310 metres northwest of the intersection of Breadalbane Rd and Holmes Rd and proceeds southeast for a distance of 798 metres.

**Peters Rd (Section 24401, Station 9782-10208)**

This section commences at the intersection of Rte 225 and Peters Rd and proceeds south for a distance of 426 metres.

**3) SECTION 102.13 - SCHEDULING OF THE WORK**

The number of working days stipulated for this Contract is **6**. These working days shall be consecutive. The Contractor is not required to submit a schedule for this project. Liquidated damages will be assessed beyond the number of working days specified above as well as the completion date as noted in this tender form and agreement. The Contractor must advise the Engineer 48 hours in advance of work starting.

**4) SECTION 106 - PROSECUTION AND PROGRESS**

The Contractor shall develop and submit to the Department (prior to mobilizing on site) a COVID-19 Safety Plan. This Plan shall include measures/procedures to meet the PEI Chief Public Health Office COVID-19 restrictions as they relate to all pertinent activities, such as but not limited to: employees travelling to/from the site, all work activities on site, worker breaks, portable toilets, wash stations, equipment/tools sanitation, and the Contractor's monitoring system to ensure

compliance. Note that all costs the Contractor incurs as part of complying with COVID-19 restrictions shall be incorporated into any and/or all bid cost items. No additional compensation shall be provided by the Department for the Contractor to comply with COVID-19 restrictions.

**5) SECTION 501 - ASPHALT CEMENT**  
**(Item 50101 - Asphalt Cement)**

Contractors shall note that for bidding purposes an artificial rack price of **\$1,500** per tonne shall replace the Government's posted Monthly Average Asphalt Binder Rack Price table for this contract. The artificial rack price of **\$1,500** per tonne shall be used as the price index when calculating the liquid asphalt cement price adjustment.

**6) SECTION 603 – HOT MIX ASPHALTIC CONCRETE**  
**(Item 60350 – Asphalt Seal: B)**

The Contractor has the option of using a portion of RAP in the production of the hot mixed asphaltic concrete surface mix B. The maximum amount of RAP permitted shall be 15% of the total weight of the combined materials. The Contractor shall be responsible for the incorporation of RAP into the asphalt concrete surface mix which shall be done in a manner as per Section 603.05 of the PEITIE General Provisions and Contract Specifications for Highway Construction. **RAP shall be incorporated into the asphalt mix through a collar on the mixing drum. The collar shall be placed as per the plant manufacturers' recommendations.** The RAP shall be free of contamination and all particles shall pass the 50 mm sieve when tested in accordance with ASTM C136.

A mix design will also be required as per section 603.03 of the PEITIE General Provisions and Contract Specifications for Highway Construction if the Contractor chooses to produce hot mixed asphaltic concrete surface mix B containing RAP. If at any point in time during construction the B mix does not meet Department specifications as determined by the Engineer, then the amount of RAP shall be reduced or removed at the discretion of the Engineer. The Contractor must have an additional conventional hot mixed asphaltic concrete surface B mix design not containing RAP completed and approved with constituent material stockpiled prior to the start of construction in the event that the B mix containing RAP does not meet contract specifications.

The RAP shall be of high quality, have a minimum asphalt content of 5.0% and meet the asphalt concrete gradation requirements in Section 603, Table 603-4 or be approved by the Engineer. Asphalt Seal: C meeting the requirements in Section 603 may be used in place of Asphalt Seal: B. No additional compensation shall be provided for the use of one material over the other.

**7) SECTION 603.15 - HOT MIX ASPHALTIC CONCRETE - SMOOTHNESS**  
Section 603.15 shall not apply to this Contract.

**8) SECTION 716 - COLD PLANE, STOCKPILE**  
**(Item 71601 - Cold Plane and Stockpile)**  
**Harbourview Dr (Section 50133, Station 100-1060)**

The cold planning on Harbourview Dr in North Rustico shall be paid for at the unit bid price per square metre and this shall be full compensation for cold planing, loading, transporting, stockpiling, equipment, tools, labour, and incidentals necessary to complete the work. The RAP



material shall be hauled to a site determined by the project manager (4 km). No additional compensation shall be provided for this work.

- 9) SECTION 907 - VEHICLE CONFIGURATIONS AND RESTRICTIONS**  
The SADT on this project shall be understood to be approximately **500**.

- 10) SECTION 908 - TRAFFIC CONTROL PLAN**  
**(Item 90802 - Traffic Control Plan)**

Work shall not proceed until all conditions of this section are met. Failure to meet these conditions shall result in a stop work order as per Section 106.07 Suspension of Work.

**SCHEDULE B  
IDENTIFICATION OF PRINCIPLES**

**Name of Contractor:**

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**Mailing Address:**

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**Telephone:**

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**Email:**

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**Principal's Name:**

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**Title:**

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**Mailing Address:**

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**If Contractor is a corporation in which province of Canada is the corporation registered:**

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Item Description and Price	Estimated Quantity	Contractor Total Price
<b>ASPHALT CEMENT</b>		
Section: 501      Item: 50101		
	PER Tonnes	
	\$ _____ PER Tonnes	166.00 \$
	100	
<b>TACK COAT</b>		
Section: 601      Item: 60101		
	PER Square Metre	
	\$ _____ PER M2	24,400.00 \$
	100	
<b>ASPHALT SEAL: B</b>		
Section: 603      Item: 60350		
	PER Tonnes	
	\$ _____ PER Tonnes	2,640.00 \$
	100	
<b>COLD PLANE CONST. JOINT</b>		
Section: 705      Item: 70501		
	PER Square Metre	
	\$ _____ PER M2	60.00 \$
	100	
<b>COLD PLANE AND STOCKPILE</b>		
Section: 716      Item: 71601		
	PER Square Metre	
	\$ _____ PER M2	6,340.00 \$
	100	
<b>SIGNALLERS</b>		
Section: 901      Item: 90101		
	PER hrs	
	\$ _____ PER hrs	288.00 \$
	100	
Twenty-Three Dollars and 78 Cents	\$ _____ 23.78	6,848.64

Total Carried Forward \$ \_\_\_\_\_  
From Previous Page  
Total Carried Forward \$ \_\_\_\_\_

Project Number: 6224

# Department of Transportation and Infrastructure

## Province of Prince Edward Island

**PROJECT #49 - ASPHALT RI**

-23306

Estimate: 5038

Length: 3.700 ki

### Schedule C

schedule of item for tender

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07 Sep 2022

Item Description and Price	Estimated Quantity	Contractor Total Price
<b>TEMPORARY MARKING</b>		
Section: 905            Item: 90501		
	PER Metres	
	PER M	30.00 \$
	100	
<b>TRAFFIC CONTROL PLAN</b>		
Section: 908            Item: 90802		
	PER hrs	
Thirty Dollars and 00 Cents	30.00 PER hrs	60.00 \$
	100	1,800.00

Total Carried Forward \$ \_\_\_\_\_

From Previous Page

Total Carried Forward \$ \_\_\_\_\_

HST \$ \_\_\_\_\_

Grand Total \$ \_\_\_\_\_

**SCHEDULE D**

**SCHEDULE OF EQUIPMENT TO BE USED ON THE WORK**

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**SCHEDULE E**  
**SCHEDULE OF SUB-CONTRACTORS**

**SCHEDULE F**  
**ADDITIONAL FUEL ADJUSTMENTS**

Due to significant fluctuations in fuel prices this year, this contract will have additional fuel adjustments applied to the following items that are applicable at the following rates based on the formula described below. This adjustment will only be applied to specific contracts in the 2022 construction season and will not be applied to any contracts in future years.

Item# 20306	EXCAV: EARTH SURPLUS/SUITABLE	1.0 L/m <sup>3</sup>
Item# 20307	EXCAVATION: EARTH WASTE	1.0 L/m <sup>3</sup>
Item# 20602	BORROW: SELECT	0.5 L/t
Item# 20603	BORROW: COMMON	1.0 L/m <sup>3</sup>
Item# 20701	GRANULAR BASE: A	0.6 L/t
Item# 60301	ASPHALT BASE: A	5.0 L/t
Item# 60326	ASPHALT LEVELING: A	5.0 L/t
Item# 60350	ASPHALT SEAL: B	5.0 L/t
Item# 61003	HMA DRIVEWAY MIX	5.0 L/t

Payment Adjustment for Fuel Cost

Compensation payable to the Department or the Contractor shall be based on the difference in the IRAC posted wholesale price of diesel 24 hours prior to tender closing of the Contract (Tender Fuel Price) and the IRAC posted wholesale price when the work was completed for the applicable item. This shall be calculated in accordance with the following:

The Department shall adjust payments to the Contractor under the applicable Item in the Contract Document based on the Island Regulatory and Appeals Commission (IRAC) historical Petroleum prices for Wholesale Diesel . The price is available on the IRAC website: <https://irac.pe.ca/petrol/current-petroleum-prices/>

The payment adjustment will be established for each IRAC approved adjustment during the time that Work is performed on any of the items in Table 1 and when the Wholesale Price (WP) differed from the Tender Fuel Price (TFP) by more than 5%.

The adjustments will be calculated using the Nominal Fuel Consumption Rates (NFCR) in Table 1 and the formulae shown below. The Department shall submit a statement to the Contractor identifying, by Item, the Fuel Adjustment (FA), the associated NFCA, and the Material Quantity (MQ) as identified on the previous Progress Estimate.

**Table 1**  
**Nominal Fuel Consumption Rates (NFCRs) by Item**

Item #	Description	NFCR
20306/20307	Excavation	1.0 L/m <sup>3</sup>
20601/20602/20603/20604	Borrow	0.5 L/t or 1.0 L/m <sup>3</sup>
20701	Aggregate Base/Subbase	0.6 L/t
60301/60326/60350/61003	Asphalt Base/Seal	5.0 L/t

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The payment adjustment shall be calculated as follows, where:

FA = Fuel Adjustment

WP = Wholesale Price

TFP = Tender Fuel Price (posted price 24 hrs prior to tender closing)

NFCR = Nominal Fuel Consumption Rate

MQ = Material Quantity

When  $WP > 1.05 TFP$ , the FA is an additional payment to the Contractor as follows:

$$FA = (WP - 1.05TFP) \times NFCR \times MQ$$

When  $WP < 0.95 TFP$ , the FA is a deduction from payments due to the Contractor as follows:

$$FA = (WP - 0.95TFP) \times NFCR \times MQ$$



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**Examples:**

1. A Contractor completes placement of 10,000 tonnes of select borrow and 5,000 tonnes of granular A. During the work period, IRAC approved four adjustments to the Wholesale diesel price which are as follows: \$1.11/L, \$1.15/L, \$1.23/L & \$1.26/L. The price of wholesale diesel 24 hours prior to the tender closing was \$0.90/L.

Within the first fuel adjustment IE. when the diesel price was \$1.11/L, 8,000 tonnes of borrow was placed and no granular was placed.

Within the second fuel adjustment IE. when the diesel price was \$1.15/L, 2,000 tonnes of borrow was placed and 1,500 tonnes of granular was placed.

Within the third adjustment IE. when the diesel price was \$1.23/L, 2,000 tonnes of granular was placed.

Within the final adjustment IE. when the diesel price was \$1.26/L, 1,500 tonnes of granular was placed.

**Calculation**

FA = Fuel Adjustment

NFCR = Nominal Fuel Consumption Rate, = 0.5l/t for borrow, = 0.6l/t for granular

MQ = Material Quantity

	Borrow	Granular
Work @ \$1.11 =	8,000t	0
Work @ \$1.15 =	2,000t	1,500t
Work @ \$1.23 =	0	2,000t
Work @ \$1.26 =	0	1,500t

TFP = Tender Fuel Price = \$0.90/L

WP is greater than 1.05\*TFP therefore FA = (WP – 1.05TFP) x NFCR x MQ

		WP	(WP – 1.05TFP) (\$/l)	NFCR (l/t)	MQ (t)	Payment (\$)
<b>Work @ \$1.11</b>	Borrow	\$1.11	\$0.17	0.5	8000	\$680.00
	Granular	\$1.11	\$0.17	0.6	0	\$0.00
<b>Work @ \$1.15</b>	Borrow	\$1.15	\$0.21	0.5	2000	\$210.00
	Granular	\$1.15	\$0.21	0.6	1500	\$189.00
<b>Work @ \$1.23</b>	Borrow	\$1.23	\$0.29	0.5	0	\$0.00
	Granular	\$1.23	\$0.29	0.6	2000	\$348.00
<b>Work @ \$1.26</b>	Borrow	\$1.26	\$0.32	0.5	0	\$0.00
	Granular	\$1.26	\$0.32	0.6	1500	\$288.00

**\$1,715.00 Payment**

2. A Contractor completes placement of 4,500 tonnes of asphalt. During the work period, IRAC approved four adjustments to the Wholesale diesel price which are as follows: \$0.80/L, \$0.82/L, \$0.88/L & \$0.80/L. The price of wholesale diesel 24 hours prior to tender closing was \$1.35/L.

Within the first adjustment IE. when the diesel price was \$0.80/L, 1,200 tonnes of asphalt was placed.

Within the second fuel adjustment IE. when the diesel price was \$0.82/L, 1,000 tonnes of asphalt was placed

Within the third fuel adjustment IE. when the diesel price was \$0.88/L, 900 tonnes of asphalt was placed.

Within the final fuel adjustment IE. when the diesel price was \$0.80L, 1,400 tonnes of asphalt was placed.

**Calculation**

FA = Fuel Adjustment

NFCR = Nominal Fuel Consumption Rate = 5 l/t for seal

MQ = Material Quantity

Work @ \$0.80 = 1,200t

Work @ \$0.82 = 1,000t

Work @ \$0.88 = 900t

Work @ \$0.80 = 1,400t

TFP = Tender Fuel Price = \$1.35/L

WP is less than 0.95\*TFP therefore FA = (WP - 0.95\*TFP) x NFCR x MQ

	WP	(WP-0.95*TFP) (\$/l)	NFCR (l/t)	MQ (t)	Payment (\$)
<b>Work @ \$0.80</b>	\$0.80	-\$0.48	5	1200	-\$2,880.00
<b>Work @ \$0.82</b>	\$0.82	-\$0.46	5	1000	-\$2,300.00
<b>Work @ \$0.88</b>	\$0.88	-\$0.40	5	900	-\$1,800.00
<b>Work @ \$0.80</b>	\$0.80	-\$0.48	5	1400	-\$3,360.00

**-\$10,340.00 Deduction**