

FUEL ADJUSTMENT CLAUSE

BID FORM # 8

This bid is based on a gasoline price of _____ per gallon and a diesel price of _____ per gallon and will be hereafter referred to as the "Base Price of Fuel."

The Contractor agrees to maintain accurate and complete records relative to the use of gasoline and/or diesel fuel by each of its Lincoln Public Schools' vehicles. These records and all other information requested by the district shall be made available prior to the awarding of any fuel adjustment.

Beginning in the first year of the contract, and continuing for the duration of said contract, a fuel adjustment may be proposed based on the following formula:

When there is an average monthly variation of ~~five cents (\$0.05)~~ ten cents (\$0.10) per gallon or less, up or down, from the base price of gasoline, as established at the time of the contract bid, there will be no adjustment. On the first day of any month of any increase of more than ~~five cents (\$0.05)~~ ten cents (\$0.10) per gallon, additional payment for each one cent (\$0.01) per gallon will be made to the contractor for the number of gallons used for transportation. **This must be accompanied by wholesale price verification from the gasoline supplier.** This will continue until gasoline prices come within the ~~five cents (\$0.05)~~ ten cents (\$0.10) per gallon variation allowance. If the average monthly cost of gasoline decreases more than ~~five cents (\$0.05)~~ ten cents (\$0.10) per gallon, a lesser payment of each one cent (\$0.01) per gallon will be made to the contractor for the number of gallons used for transportation. This will continue until gasoline prices come within the ~~five cents (\$0.05)~~ ten cents (\$0.10) per gallon variation allowance.

In both cases, any adjustment will be made each month for the term of the contract.

The amount of adjustment will be calculated as follows:

Gallons Used Per Day: Total daily route mileage X miles per gallon of the vehicles

Gallons Used Per Month: Gallons used per day X number of days that students were transported

Fuel Adjustment: Gallons used per month X number of cents of variation from the base per gallon price

| | |
|--|------------------------|
| Signature: | |
| Title: | |
| Company: | |
| Address: | |
| Telephone: | |
| Date: | |
| Confirm Adjustment Rate used for this contract | \$0.10 or \$ |

Bidders shall submit this form fully completed with each bid.

FUEL COSTS

- 1) The amount of fuel consumed for purpose of adjustments will be determined by the total daily route mileage as defined in this contract - as adjusted to meet changing conditions. The adjustment will be based on the average price of fuel for the month as listed by Boston Tank Price to be used for computation of base cost included in these bid documents for the term of this contract. A copy of the price listing by Boston Tank price shall be submitted with the bid.
- 2) The monthly cost of the contract will be adjusted up or down based upon the price of fuel established at the time of the bid. Adjustments will be made only when the price varies from the base by plus (+) or minus (-) \$.05 and the adjustment will be made based on the average price for the month. Copies of the price listing (Boston Tank price) will be submitted when price adjustments are required or when requested by the school system.
- 3) The fuel adjustment will be accomplished using the following:
 - a) Established starting price of fuel (established at time of bid)
 - b) The fuel consumption rate in miles per gallon for 65-71 passenger buses shall be Miles-per-gallon based on the bus manufacturer's specifications.
 - c) The amount of adjustment will be calculated by using the formula below:

$$\frac{\text{TOTAL DAILY ROUTE MILEAGE} =}{\text{Miles per gallon (Manufacturer's Specifications)}}$$

Gallons used per day X number of school days that month X adjusted figure per gallon
(only above or below \$.10 per gallon)

- 4) Calculations to be received on a monthly basis. The fuel cost increase or decrease must remain in effect from the first operating day of the month through the last operating day of the month based on the actual price paid per gallon.
- 5) In order to receive reimbursement for increased fuel costs as provided herein, the Contractor must provide receipts for said fuel on a monthly basis throughout the contract term as verification of such increase, as well as an accurate accounting (live miles per trip) of the fuel used for the Town's services.
- 6) Under no circumstances shall the City absorb fuel costs not associated with the contract. The Contractor agrees to maintain accurate and complete records relative to the use of fuel under the Contract which shall be made available to Lincoln or METCO prior to the awarding of any fuel adjustment.
- 7) Any change in the State motor fuel tax shall be adjusted on a penny-for-penny basis during the life of the contract. It will be separately computed outside the five-cent price adjustment limit based on the gallons used per day as calculated in the above formula.
- 8) Bidder may change the reimbursement rate up to \$0.20 per gallon on the Bid form