

How to Calculate - 2022 DTI Fuel Adjustment for Extra Work Orders
& Force Account Items on Construction Contracts

Base Price (BP) – This is set based on the average daily prices for the year **2016**, with averages for *Ultra-Low Sulphur Diesel Maximum Price & Regular Unleaded Maximum Price*, which will be calculated and posted on the DTI website for reference (*see link below*).

All averages are based on the *New Brunswick Energy and Utilities Board's (NBEUB)* posted prices for the applicable fuel type (plus HST).

This is also found posted on the DTI website at:

<https://www2.gnb.ca/content/dam/gnb/Departments/trans/pdf/en/tenders-contracts/extra-works-force-accounts-construction-contracts.pdf?random=1666973919054>

Average Actual Price (AAP) = Average price of fuel for the month throughout the period the equipment was used based on *NBEUB* postings. (*Note: This rate will be posted by DTI on the first day of the following month, which can be found using the above link as well*).

A fuel adjustment shall only be paid if the difference between Base Price (“BP”) for the applicable fuel type (diesel or gasoline) and the Average Actual Price (“AAP”) is **greater than 10%**

Step One

Formula:

% Difference = (AAP-BP)/(BP)*100

Example:

BP – 1.0268 (*Ultra-Low Sulphur Diesel*)

AAP – 1.9393 (*Average posted price for the month the equipment was used in August 2022, for illustration purposes only*)

= (1.9393-1.0268) / (1.0268) *100

= (0.9125) / (1.0268) *100

= (0.8887) *100

=88.87, which will be rounded to **89%**

The % difference = **89%**, therefore a fuel adjustment would be paid in addition to the rental fee

Step Two:

Formula:

(Hourly Rental Rate \$/HR) (Number of Hours Rented) (Increase in Fuel) (0.2)

**** The fuel cost adjustment shall be calculated using a FIXED STANDARD fuel consumption rate of 20% of the (hourly) Machine Rental Rate ****

Example (continued from above):

Rental Rate: \$90.00

Hours Rented: 3.5 hrs

Fuel Price Increase During Invoice Period: 0.89 (89%)

= (90) (3.5) (0.89) (0.2)

= **\$56.07**

*Based on our calculations, DTI will pay an additional **\$56.07** as a fuel adjustment on top of the Hourly Rental Rate \$/HR to the Contractor*