

**Highway 1 Tow Contract Compensation Provisions & Fuel Adjustment Clause**

**Compensation**

**Subarticle 2.A** In consideration for CONTRACTOR accomplishing the said result, COMMISSION agrees to pay CONTRACTOR as follows: Hourly Rate per truck of \$65.25 as show in Attachment C *Ladd's Autobody and Towing Price Breakdown* on Line 18: COST PER HOUR PER TRUCK, unless fuel adjustment provision in Subarticle 2.C is activated. In that event, COMMISSION shall pay the hourly rate per tuck of \$69.00 for an upward fuel price adjustment and the hourly rate per truck of \$61.50 for a downward fuel adjustment.

**Subarticle 2.C** Prior to this Contract's period of performance, the COMMISSION will calculate a Base Fuel Price, defined as the average of the fuel prices proposed by the selected FSP contractors in response to the MTC SAFE Request for Proposals dated October 28, 2004. The Base Fuel Price will be made available to CONTRACTOR. The Base Fuel Price for the period of this Contract is \$2.51. Thereafter, the COMMISSION will track, on a monthly basis, the difference between such Base Fuel Price and the current Bay Area Average Fuel Price. The COMMISSION will calculate the Bay Area Average Fuel Price by taking the figures published by the Federal Department of Energy (DOE) ("On the Highway Diesel Prices") for the State of California and adding an additional 4% to those figures to account for Bay Area escalated fuel prices. If the variance between the Base Fuel Price and the Bay Area Average Fuel Price is greater than 30% for 60 consecutive days, the COMMISSION shall adjust the hourly rate upward or downward in accordance with the subarticle 2A above.