Fuel Surcharges

Purchasing has been working with University suppliers to mitigate fuel cost increases and maintain our existing pricing, but due to the sharp increases in the price of fuel this year, certain suppliers may be adding a fuel surcharge to University purchases.

Purchasing recommends that orders be consolidated and placed in a manner that would reduce the number of shipments required. This will help both to reduce the possibility of fuel surcharges and to promote conservation.

Vendors are expected to provide notification prior to instituting a surcharge and quotes should indicate if a surcharge will be applied. Vendors should also be prepared to document how the surcharge is calculated and if the charge is tied to some verifiable index (some small package carriers and freight companies now include this information on their websites).

Many freight carriers and package delivery companies have tied their surcharges to indexes published by the Energy Information Administration (EIA) of the U.S. Department of Energy (DOE). Freight haulers typically use the index of Weekly Retail On-Highway Diesel Prices to calculate fuel surcharges. The index is updated each Monday on DOE’s website and surcharges are usually adjusted the same week.

FedEx, UPS and DHL, index fuel surcharges for small package ground deliveries to the monthly rounded average of U.S. On-Highway Diesel Fuel Prices and link air express delivery surcharges to the monthly rounded average of the U.S. Gulf Coast (USGC) Jet Fuel Prices. All three carriers adjust their surcharges on the first Tuesday of each month using the indices for the month that is two months prior to the adjustment. As a result, these fuel surcharges will not reflect significant changes in fuel prices for two to three months.

If an invoice includes a surcharge that appears excessive or contains both a freight charge and fuel surcharge, please forward a copy to the Purchasing Office. If you have other questions and/or concerns regarding this subject contact Purchasing at 73225 or at purchasing@tufts.edu.