

OGCA Member Bulletin
Fuel Surcharges

The OGCA has been made aware that multiple suppliers in the construction supply chain are issuing letters to our members noting that they would be subject to additional Fuel Surcharges commencing on April 1, 2022.

These letters are being sent directly to members and noting that the various suppliers are currently paying material suppliers and diesel fuel above expected rates.

The suppliers are noting that due to these unprecedented and global fuel cost increases, that they are unfortunately obliged to increase their rates and prices. Additionally, the letters also note that if the suppliers themselves are charged any fuel surcharges, by other suppliers along the supply chain, that those charges would then be applied to deliveries and these cost will need to be passed along to the general contractor. As the recipient of these charges, you will have no means to evaluate the authenticity on any given day or week.

We all understand that the construction supply chain has faced challenges over the last twenty-four months, but unless expressly noted in the contract, these suppliers cannot unilaterally levy this fuel surcharge and have this “obligation” be the responsibility of the general contractor.

The OGCA wants to communicate succinctly to our members that you must review the terms of your existing contract with each supplier and assess if these suggested increases are allowed for in the contract terms.

In addition, we urge you to exercise additional due diligence in executing any new contracts that may contain terms allowing these surcharges or take similar steps with your prime contracts to protect yourself until the situation stabilizes.

Should anyone have any questions, or require any further assistance please contact Giovanni Cautillo at giovanni@ogca.ca or directly at 905.671.3969.