**SBD 3.2**

**PRICE ADJUSTMENTS**

**A NON-FIRM PRICES SUBJECT TO ESCALATION**

1. IN CASES OF PERIOD CONTRACTS, NON-FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON-FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES

1. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:



Where:

Pa = The new escalated price to be calculated.

(1-V)Pt = 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**

D1, D2.. = Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1,D2…etc. must add up to 100%.

R1t, R2t…… = Index figure obtained from new index (depends on the number of factors used).

R1o, R2o = Index figure at time of bidding.

VPt = 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

**Index: CPI Dated: July 2025**

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

|  |  |  |
| --- | --- | --- |
| FACTOR  (D1, D2 etc. eg. Labour, transport etc.) | P PERCENTAGE OF BID PRICE | |
|  |  | |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

**SBD 3.2**

**B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **PARTICULARS OF FINANCIAL INSTITUTION** | **ITEM NO** | **PRICE** | **CURRENCY** | **RATE** | **PORTION OF PRICE SUBJECT TO ROE** | **AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD** |
|  |  |  |  | ZAR= |  |  |
|  |  |  |  | ZAR= |  |  |
|  |  |  |  | ZAR= |  |  |
|  |  |  |  | ZAR= |  |  |
|  |  |  |  | ZAR= |  |  |
|  |  |  |  | ZAR= |  |  |

2.Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

|  |  |  |  |
| --- | --- | --- | --- |
| **AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:** | **DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE** | **DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE** | **DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |