

Contract price adjustment will be applied annually to all rates in accordance with this clause. The contract price adjustment mechanism will be the following:

LOCAL SOUTH AFRICAN CONTENT - STATS SA CONSUMER PRICE INDEX

1. This excludes **1CE or higher Items** 1A4.1, 1A4.2, 1A4.3, 1A4.4, 1A4.5, 1A4.6, 1A4.7, 1A4.8, 2A4.1, 2A4.2, 2A4.3, 2A4.4, 2A4.5, 2A4.6, 2A4.7, 2A4.8, and **2CE or higher Items** 1AA4.1, 1AA4.2, 1AA4.3, 1AA4.4, 1AA4.5, 1AA4.6, 1AA4.7, 1AA4.8, 2AA4.1, 2AA4.2, 2AA4.3, 2AA4.4, 2AA4.5, 2AA4.6, 2AA4.7, 2AA4.8
2. A minimum of 10% of the tender price as per C.2.2 and C.2.3 – Schedule of Rates shall be fixed and free of variation for the duration of the contract.
3. A total of 90% of the tender price as per C.2.2 and C.2.3 – Schedule of Rates shall be adjusted annually in accordance with clause 5 below.
4. The Contract Price(s) shall remain FIRM for the first 12 calendar months from date of Commencement Date of Contract and Suppliers are not permitted to requests CPA during this period.
5. The Contract Price(s) will thereafter be subject to adjustment annually based on the average percentage of change over 12 months as published by STATS SA: Consumer Price Index (P0141– Table B2 – CPI headline year-on-year rates) as follows:
 - 5.1 CPA applicable from the start of the 13th month to the end of the 24th month calculated as follows:
 - a) The base month for the price adjustment being three (3) calendar months prior to Commencement Date of Contract; and
 - b) The end month shall be three (3) calendar months prior to the 12th month.
 - 5.2 CPA applicable from the start of the 25th month to end of the 36th month calculated as follows:
 - a) The base month for the price adjustment shall be three (3) calendar months prior to the 13th month; and
 - b) The end month shall be three (3) calendar months prior to 24th month.
 - 5.3 The average CPI percentage will be calculated using the base month to the end month (both included) divided by the number of months. (12 months totalled/12 to achieve the average CPI)
6. Subject to prior approval by the CCT delegated authority, in the event of any extension of the contract period, the CPA applicable beyond month 36th of the contract will follow the same principle in determining the base month (i.e. 3 calendar months prior to 25th month) and end date (3 calendar months prior to 36th month) as outlined above.

LOCAL SOUTH AFRICAN CONTENT – SECTORIAL DETERMINATION for Private Security Sector

1. Applicable where the Tenderer/Suppliers has indicated their tendered prices are subject to adjustment based on changes in the Sectorial Determination for **Private Security Sector**
2. The labour variation shall be based on the annual increase from the Department of Labour **Sectorial Determination 6: Private Security Sector**
3. The contract price per item which is subject to the Sectorial determination, shall be adjusted **annually**, and the adjusted contract price shall be applicable for purchase orders issue during the following full calendar month.
4. The base month for CPA calculations shall be the calendar month of the closing date for tenders, and the Sectorial Determination valid at closing date of tender shall be used.