

REPLACEMENT PAGE

Annexure F - Tender Returnable Documents

Schedule F.1: Contract Price Adjustment
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The prices for the goods delivered and services performed shall be subject to contract price adjustment and the following conditions will be applicable:

1. The Contract Price Adjustment mechanism and/or provisions relating to Rate of Exchange Variation, contained in this schedule is compulsory and binding on all tenderers.
2. Failure to complete this schedule or any part thereof may result in the tender offer being declared non-responsive.
3. Tenderers are not permitted to amend, vary, alter or delete this schedule or any part thereof unless otherwise stated in this schedule, failing which the tender offer shall be declared non-responsive.
4. Tenderers are not permitted to offer firm prices except as provided for in the Price Schedule, and if the tenderer offers firm prices in contravention of this clause the tender offer shall be declared non-responsive.
5. Any claim for an increase in the Contract price shall be submitted in writing to the: Director Supply Chain Management, City of Cape Town, P O Box 655, Cape Town, 8000 or by email to: CPA.Request@capetown.gov.za and Lanese.Hesselman@capetown.gov.za prior to the month upon which the price adjustment would become effective.
6. The CCT reserves the right to withhold payment of any claim for contract price adjustment while only provisional figures are available and until the final (revised) figures are issued by the relevant authority.
7. When submitting a claim for contract price adjustment a supplier shall indicate the actual amount claimed for each item. A mere notification of a claim for contract price adjustment without stating the new price claimed for each item shall, for the purpose of this clause, not be regarded as a valid claim.
8. The CCT reserves the right to request the supplier to submit auditor's certificates or such other documentary proof as it may require in order to verify a claim for contract price adjustment. Should the supplier fail to submit such auditor's certificates or other documentary proof to the CCT within a period of 30 (thirty) days from the date of the request, it shall be presumed that the supplier has abandoned his claim.
9. The effective date of any price increases granted will be the date on which the abovementioned documentation/claim is submitted or, by agreement between the Contractor and the City, a subsequent date on which the price increase will be effective.
10. In instances where the Contractor's price claimed is less than entitled, the lesser price will be accepted.
11. The CCT reserves the right to apply the indices available at the date of the claim submitted by the Contractor.
12. **Price Adjustment Mechanism:**
 - 12.1 The Contract Price as per GCC shall remain **Firm** for the first 12 months from date of commencement of the contract and no claims for contract price adjustment will be considered for the first 12 months subject to the provisions in the price schedule.

12.2 Subject to 8.12.1. Above, Contract Price Adjustment will be applicable as from commencement of the 13th month. Tenderers shall be entitled to claim contract price adjustment as follows:

13. **90%** of the tendered price will be subject to adjustment **annually** based on the **average** Consumer Price Index (CPI) as follows:

From start of 13th month to the end of the 24th month: Subject to contract price adjustment in accordance with the **Consumer Price Index (P0141–Table B2 – CPI headline year-on-year rates)**. **Base month** for the price adjustment shall be two (2) calendar months prior to the date of commencement. The **end month** shall be two (2) calendar months prior to the 12th month.

From start of 25th month to end of the contract: Subject to the contract price adjustment in accordance with the **Consumer Price Index (P0141–Table B2 – CPI headline year-on-year rates)**. **Base month** for the price adjustment shall be two (2) calendar months prior to the 13th month. The **end month** shall be two (2) calendar months prior to 24th month.

The **average CPI** calculated, the base month to the end month (both included) divided by the number of months.

The claim will be based on the **average** between the “base month” and the “end month” e.g.: $7+6+9+6 = 28$ $(28/4) = 7$ therefore the claim will be 7%.

10% of the rate will remain fixed

14. Contract price adjustment on fuel cost fluctuations will be applicable. Producer Price Index (PPI) for “Coal and Petroleum Products - Diesel”, as published in the Statistical News Release P0142.1: Table 1 – PPI for final manufactured goods of Statistics South Africa Adjusted quarterly.

- 14.1 rate breakdown is required for CPA calculation as per clause 14 below table to be completed by bidder indicating the items that comprises the rate and the percentage of each item.

Rate breakdown	%