

F.1 (B) LOCAL SOUTH AFRICAN CONTENT – SEIFSA INDICES

1. Tenderers/Suppliers that are manufacturers of the tendered goods and that indicate CPA provision above based on SEIFSA Indices shall comply with the conditions specified below and shall complete Table F.1 (B).1: SEIFSA Base Material and Labour Prices in full.
2. Material, labour and / or road freight price variation shall be calculated based upon the SEIFSA base material, labour and / or road freight prices / indices and the price proportions indicated by the Tenderer/Supplier for the Goods tendered, as detailed in Table F.1 (B).1: SEIFSA Base Material and Labour Prices.
3. For items that are also subject to RoE and / or Overseas Pricelist / Quotation based CPA, the SEIFSA index based CPA **shall apply only to the South African Content portion**.
4. A minimum of 10% of the **South African Content portion** of the tender price shall be fixed and free of variation for the duration of the contract.
5. The contract price per item shall be adjusted **SELECT: quarterly** in advance of placement of orders, and the adjusted contract price shall be applicable for purchase orders placed during the following full calendar month.
6. Fluctuations in the prices of raw materials, labour and road freight will be acceptable for the item price in C.4 Price Schedule, CPA calculations.
7. The base month for CPA calculations shall be the calendar month prior to the month of the closing date for tenders, and SEIFSA indices published in this month shall be used.
8. Adjusted contract prices per item shall be calculated based upon the SEIFSA indices published in the calendar month of application for the amended item contract prices.
9. Material and labour price variation shall be calculated based upon the SEIFSA base material and labour indices and the stipulated price proportions as detailed in Table F.1 (B).1.
10. The process to be followed by Tenderers/Suppliers for claims for CPA in terms of SEIFSA shall be as follows:
 - a) The Tenderers/Suppliers shall approach the CCT in writing during the week following the third Friday of each of **February, May, August and November** month with an application for the adjustment of the contract prices in C.4 Price Schedule and the amended prices to be applicable to the contract during the following **three months**.
 - b) The application shall be based upon the SEIFSA indices published during the calendar month of application (those published on the Monday following the third Friday of the month and detailing the latest available indices) and shall detail the proposed adjusted unit prices for the Items and include detailed calculations indicating how the adjusted unit prices per item have been established.
 - c) Calculations of the CPA shall use the original tendered unit rates, the base indices, the indices published in the calendar month of application and the SEIFSA formula and shall contain no other factors or adjustments.
 - d) The CCT will check and approve the proposed unit prices for the following month prior to the last day of the month of application. The CCT will notify the Tenderers/Suppliers in writing of approval of the proposed prices.
 - e) All purchase orders for the contracted Items issued during a month shall be issued, invoiced and paid at the contract unit prices approved for that month and no further SEIFSA based contract price adjustment claims will be considered, irrespective of the actual month of delivery and whether or not deliveries were subject to any manufacturing or delivery delays.

- f) The required delivery dates for orders placed by the Employer for the contracted Items will be determined based upon the date of issue of the purchase order and the contract delivery period. Delays in the delivery of the Items for orders placed by the CCT shall not entitle the Tenderers /Suppliers to any amendment of the approved contract price adjustment applicable to that order.
- g) Failure by the Tenderers/Suppliers to submit claims for CPA within the timeframes detailed above will result in the unit rates for the items concerned being determined by the CCT in accordance with the published SEIFSA indices. The CCT however reserves the right in such a case not to amend the unit rates for the item if it is not to the CCT's advantage.
- h) The successful Tenderers/Suppliers shall immediately upon notification of commencement date of contract (or date of issue of first PO) submit written application for approval of adjustment to the contract prices in C.4 Price Schedule that shall be applicable during the first calendar month of the contract. This application will be assessed in accordance with the process laid out above in order to determine approved contract prices for the first calendar month of the contract.
- i) Failure to submit such application within two working weeks of commencement of contract shall result in the tendered unit prices in C.4 Price Schedule being applied for orders placed during the first calendar month of the contract.
- j) Application for CPA thereafter shall follow the process detailed above.