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ANNEXURE TO PRICE SCHEDULE OR, WHERE APPLICABLE, FORM C.P.A. (I.G.)

CONTRACT PRICE ADJUSTMENT METHOD FOR USE ON CONTRACTS/ORDERS FOR THE SUPPLY AND DELIVERY AND, WHERE APPLICABLE, INSTALLATION AND COMMISSIONING OF PLANT AND EQUIPMENT EITHER FULLY OR PARTLY MANUFACTURED OR SUPPLIED FROM LOCALLY HELD IMPORTED STOCKS IN REPUBLIC OF SOUTH AFRICA.

NOTES TO TENDERERS

1. Failure to propose cost price adjustment methods, either by completing this document or proposing alternative methods for any portion or whole of the tender price will lead to that portion or whole of the tender price being considered fixed.
2. The Tender/Contract price shall remain fixed where the period between the closing date of tenders and the contractual completion date is less than one year.
3. When the percentage increase or decrease between two index figures/prices is calculated, the index/price at the earlier date shall be taken as the base index/price.
4. Where portions of the works are delivered at different times, contract price adjustments shall be made in respect of applicable portions of the contract price.
5. Where any figure given in a publication is therein stated to be a provisional figure or is subsequently amended, the figure as ultimately confirmed or amended in the publication concerned shall apply.
6. Where the appropriate "claim" indices/prices as defined in terms of the agreed formulae are not available or are provisional, interim claims based on the last published indices/prices as at the date of delivery/installation may be submitted. When the revised "claim" index/price becomes available, the final claim may be submitted, provided such claim is received within 180 days of the date of delivery/installation.
7. All claims for transport escalation must be accompanied by evidence of the method of transport employed (rail or road).
8. Where the Employer considers it necessary the Employer reserves the right to call for any documentary evidence to substantiate claims.

** Submit separate schedule if space insufficient or costs are to be quoted per item of the main price schedule/s. Where these costs are listed on the main price schedule/s reference should merely be made to the appropriate price schedule.*

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A. COST PRICE ADJUSTMENT FOR LOCAL MANUFACTURED/SUPPLY EX IMPORTED STOCK MATERIAL

A1. COST OF MANUFACTURE

1.1 Fixed Portion

Eskom requires a fixed portion (free of price adjustment) as stated in the NEC documents under the secondary clauses.

_____ % Fixed portion

1.2 Cost of Labour

_____ % of the F.O.R. works price shall be adjusted on the basis of the percentage increase or decrease between the SEIFSA Index of Actual Labour Cost (all hourly paid employees) Table C3 or any other appropriate index, for the month prior to that during which the enquiry closed and the index for the month one month prior to each delivery ex works.

INDEX: _____


1.3 Cost of Constituent Materials

Please complete this section in accordance to relevance of the commodity. Space has been made available for insertion by the tenderer of other recognised indices the tenderer considers relevant.

The source of indices or prices nominated shall be from a recognised publishing authority such as SEIFSA or Statistics SA. Supplier prices or supplier "in-house" indices are not acceptable.

The percentage variation in the price/index of the following constituent materials between that ruling for the month prior to the month in which the enquiry closed and that price/index for the month prior to each delivery ex works shall be applied to the percentage of the F.O.R. works for the relevant constituent material stated hereunder. If in the schedule below the Employer stipulates a time period other than 1 month, the stipulated period will be used to determine the price/index.

The Employer will stipulate the deviation from the month period mentioned above for items with long lead times.

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% of F.O.R. WORKS PRICE	PERIOD IN MONTHS	INDEX AND SOURCE (Examples given below)
		SEIFSA TABLE D-1: STATISTICS SA – Consumer Price Indices All Income Groups
		SEIFSA TABLE G : STATISTICS SA – Production Price Index, Electrical Engineering Materials
		SEIFSA TABLE F : METAL PRICES – Copper: RCP, Metric Ton

THE SUM OF THE PERCENTAGES OF 1.1, 1.2 AND 1.3 ABOVE MUST ADD UP TO 100%

A2. COST OF TRANSPORT – Rail / Road (delete where applicable)


2.1 Eskom expects a fixed portion (free of price adjustment) appropriate to the nature of the contract.
 _____% Fixed portion.

2.2 _____ % of the transport cost within RSA shall be adjusted on the basis of the percentage increase or decrease between either the appropriate Rail Reference or SEIFSA Index of Road Freight Costs (SEIFSA Table L2) whichever is applicable, for the month prior to the month in which the enquiry closed and the tariff/index for the month prior to the month in which delivery takes place.

Index used : _____

A3. COST OF INSTALLATION / ERECTION:

3.1 Eskom expects a fixed portion (free of price adjustment) appropriate to the nature of the work.
 _____% Fixed portion.

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3.2 _____ % of the price for installation/erection work shall be adjusted on the basis of the percentage increase or decrease between the SEIFSA Index of Actual Labour Cost Field Force - Table C3(a) (all hourly paid employees) or another appropriate index and for the month prior to the month in which the tender enquiry is closed and the index for the month prior to the month in which the installation/erection work is carried out.

Index used : _____

A4. TOTAL FOR WORKS COST (Amount in words)-

A5. COST OF TRANSPORTATION (Amount in words) -


**A6. COST OF INSTALLATION / ERECTION AND ENGINEERING (Where applicable - Amount in words)
.....**

B. CONTRACT PRICE ADJUSTMENT FOR WORKS RELATED CONTRACTS (To be used with the secondary option on CPA in the Engineering and Construction Contract (ECC) and Engineering and Construction Contract Short Contract (ECSC))

NOTES TO TENDERERS:

1. Eskom requires a fixed portion (free of price adjustment).
2. The Contract Price Adjustment base date should be the month before tender closure.
3. The various proportions must add up to 1.
4. Indices or other appropriate references must be clearly and completely defined.
5. Where more than one formula is applicable, please add:

6. If the ECC or Supply Contract is applicable, the tenderers are required to complete the data under Contract Data part 2 of the secondary option on CPA.

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7. If the ECSC is applicable, please complete the following:

The proportions used to calculate the Price Adjustment Factor are:

Proportion	Linked to the index for	Prepared by
0.		
0.		
0.		
0.		
0.	Fixed portion	
Total : 1		

The base date for indices is : _____

Closing date of tender : _____

Signature of tenderer : _____ Date: _____

Acceptance of paragraphs A1 to A6 / All of B (delete which is not applicable)