

APPENDIX – C
PRICE ADJUSTMENT**70.1 Increase or Decrease of Cost**

Sub-Clause 70.1 is deleted in its entirety, and substituted with the following:

The amounts payable to the Contractor pursuant to Sub-Clause 60.1, shall be adjusted in respect of the rise or fall in the cost of labor, materials, and other inputs in the Work according to such amount the formula prescribed in this Sub-Clause.

(a) Other Changes

To the extent of full compensation for any rise or fall in costs to the Contractor not covered by the provisions of this or other Clauses in the Contract, the unit rates and prices included in the Contract shall be deemed to include amounts to cover the contingency of such other rise or fall of costs.

(b) Adjustment Formula

The adjustment to the monthly statements in respect of changes in cost shall be determined from the following formula:-

$$P_n = A + b \frac{L_n}{L_o} + c \frac{M_n}{M_o} + d \frac{E_n}{E_o} + \dots$$

Where:

P_n is a price adjustment factor to be applied to the amount for the payment of the work carried out in the subject month, determined in accordance with Paragraph 60.1 (a), and with Paragraphs 60.1 (b) and (e), where any variations and daywork are not otherwise subject to adjustment;

A is a constant, specified in Appendix 1, representing the nonadjustable portion in contractual price;

$b, c, d, \text{ etc.},$ are weightings or coefficients representing the estimated proportion of each cost element (labour, cement and reinforcing steel) in the Work or Sections thereof, net of Provisional Sums; and the sum of $A, b, c, d, \text{ etc.},$ shall be one;

$L_n, M_n, E_n, \text{ etc.}$ are the current cost indices or reference prices of the cost elements for month “ n ”, determined pursuant to Sub-Clause 70.1(d), applicable to each cost element; and

Lo, Mo, Eo, etc., are the base cost indices or reference prices corresponding to the above cost elements at the date specified in Sub-Clause 70.1(d).

(c) Sources of Indices and Weightages

The sources of indices shall be those listed in Appendix-C to Bid, as approved by the Engineer. As the proposed basis for price adjustment, the Contractor shall have submitted with his bid the tabulation of Weightages and Sources of Indices if different than those given in Appendix-C to Bid, which shall be subject to approval by the Engineer.

(d) Base, Current, and Provisional Indices

The base cost indices shall be those prevailing on the day 28 days prior to the date for submission of bids. Current indices or prices shall be those prevailing on the day 28 days prior to the last day of the period to which a particular monthly statement is related. If at any time the current indices are not available, provisional indices as determined by the Engineer will be used, subject to subsequent correction of the amounts paid to the Contractor when the current indices become available.

(e) Adjustment after Completion

If the Contractor fails to complete the Work within the Time for Completion prescribed under Clause 51, adjustments of prices thereafter until the date of completion of the Work shall be made using either the indices or prices relating to the prescribed time for completion, or the current indices or prices, whichever is more favorable to the Employer, provided that an extension of time is granted pursuant to Clause 51. The same provision shall apply only to adjustments made in respect of such extension of time.

(f) Weightages

The weightages for each of the factors of cost given in Appendix-C to Bid shall be adjusted if, in the opinion of the Engineer, they have been rendered unreasonable, unbalanced, or inapplicable as a result of varied or additional work executed or instructed under Clause 51. Such adjustment(s) shall have to be agreed in the variation order.

The following Sub-Clauses 73.1, 73.2, 74.1, 75.1, 76.1, 77.1 and 78.1 are added:

73.1 Payment of Income Tax

The Contractor, Subcontractors and their employees shall be responsible for payment of all their income tax, super tax and other taxes on income arising out of the Contract. The Contractor shall be deemed to cover all such taxes.

73.2 Customs Duties

Custom duties, where applicable shall be born by the contractor.