

SOUTH DELHI MUNICIPAL CORPORATION
OFFICE OF THE ENGINEER-IN-CHIEF
20th Floor, E-1Block, Dr. SPM Civic Center
JLN Marg, New Delhi

No.F.61/E-in-C/SDMC/2016/316

Dated: 05.10.2016

ADDENDUM-IV

SUB: 'Integrated Collection and Transportation of Municipal Solid Waste and Street Sweeping Waste in the South and West Zones'

NIT NO.: F.61/E-in-C/SDMC/2016/300 dated 03.09.2016

This addendum No-IV supersedes escalation clause 2.20 of RFP document Vol. I, shown in Addendum No-II, Para (B) and Addendum No-III Para (D) and all replies of pre-bid queries on this subject.

The amended clause 2.20 of RFP document Vol.-I is as under:-

Clause 2.20 Price Adjustment

2.20.1 Price Adjustment Formula

The contract price shall be adjusted for increase or decrease in rates and price of labor, machinery and machine tools, other materials, fuel and lubricants in accordance with the following principles and procedures as per formula given below. The amount certified in each payment certificate will be adjusted by applying respective price adjustment factor to the payment amounts due.

- a) Price adjustment shall be calculated only for the work carried out within the stipulated time or extension granted by the SDMC.
- b) Price adjustment shall be calculated for the local components of the payment for the work done as per formula given below and expressions and meanings are assigned to the work done during each month:
- c) Various cost components are decided as follows:-
 - a. 5% towards CNG Components.
 - b. 10% towards HSD/Fuel Components.
 - c. 35% towards labor Components.
 - d. 25% towards machinery and machine tools Components.
 - e. 25% towards other Local Materials Components.
- d) To the extent that full compensation for any rise or fall in the costs to the Contractor is 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 in costs.

2.20.2 Adjustment Machinery & Machine Tools Component

Price adjustment for increase or decrease in the cost of machinery and machine tools procured by the Contractor shall be paid in accordance with the following formula:

$$V_0 = 0.85 X P_0 / 100 X R X (P_1 - P_0) / P_0$$

V_0 = increase or decrease in the cost of work during the month under consideration due to changes in the rates machinery and machine tools.

P_0 = the all India average wholesale price index for machinery and machine tools on the date of bid submission as published by Economic Adviser, Govt. of India, Ministry of Commerce and Industry, New Delhi.

P_1 = the all India average wholesale price index for machinery and machine tools on the last date of the quarter previous to the one under consideration to which a particular interim payment certificate is related, as published by Economic Adviser, Govt. of India, Ministry of Commerce and Industry, New Delhi.

P_0 = Percentage of plants and machinery spares component of the work shall be 25%.

R = Total value of work done during the month

2.20.3 Adjustment for Fuel and Lubricants

Price adjustment for increase or decrease in the cost POL (fuel and lubricants) shall be paid in accordance with the following formula:

$$V_1 = 0.85 X P_1 / 100 X R X (F_1 - F_0) / F_0$$

V_1 = increase or decrease in the cost of work during the month under consideration due to changes in the rates for fuel and lubricants.

F_0 = the official retail price of non-branded Diesel at the existing consumer pumps of IOC at Delhi, on the date of submission of Bids.

F_1 = the official retail price of non-branded Diesel at the existing consumer pumps of IOC at Delhi, on the last date of the quarter previous to the one under consideration to which a particular interim payment certificate is related.

P_1 = Percentage of fuel and lubricants component of the work shall be 10%.

R = Total value of work done during the month

Note: For the application of this clause, the price of non-branded diesel has been chosen to represent Fuel and Lubricants group

2.20.4 Adjustment for Fuel (CNG)

Price adjustment for increase or decrease in the cost CNG shall be paid in accordance with the following formula:

$$V_c = 0.85 \times P_c / 100 \times R \times (C_1 - C_0) / C_0$$

V_c = increase or decrease in the cost of work during the month under consideration due to changes in the rates for CNG.

C_0 = the official retail price of CNG at the existing consumer pumps of IGL at Delhi, on the date of submission of Bids.

C_1 = the official retail price of CNG at the existing consumer pumps of IGL at Delhi, on the last date of the quarter previous to the one under consideration to which a particular interim payment certificate is related.

P_c = Percentage of CNG component of the work shall be 5%.

R = Total value of work done during the month

2.20.5 Adjustment for Other Local Materials

Price adjustment for increase or decrease in the cost of local materials other than machinery and machine tools, POL and CNG procured by the Contractor shall be paid in accordance with the following formula:

$$V_m = 0.85 \times P_m / 100 \times R \times (M_1 - M_0) / M_0$$

V_m = increase or decrease in the cost of work during the month under consideration due to changes in the rates for local material other than machinery and machine tools, POL and CNG.

M_0 = the all India average wholesale price Index (all commodities) on the date of submission of Bids, as published by Economic Adviser, Govt. of India, Ministry of Commerce and Industry, New Delhi.

M_1 = the all India average wholesale price Index (all commodities) on the last date of the quarter previous to the one under consideration to which a particular interim payment certificate is related, as published by Economic Adviser, Govt. of India, Ministry of Commerce and Industry, New Delhi.

P_m = Percentage of local material component (other than machinery and machine tools, POL & CNG) of the works shall be 25%

R = Total value of work done during the month.

2.20.6 Adjustment for Labor Component

Price adjustment for increase or decrease in the cost due to labour shall be paid in accordance with the following formula:

$$V_L = 0.85 \times P_L / 100 \times R \times (L_1 - L_0) / L_0$$

V_L = increase or decrease in the cost of work during the work under consideration.

L_0 = the labour wages for unskilled adult male mazdoor notified by Govt. of NCT of Delhi on the bid submission date.

L_1 = the labour wages for unskilled adult male mazdoor notified by Govt. of NCT of Delhi on the last date of the quarter previous to the one under consideration to which a particular interim payment certificate is related.

P_L = Percentage of Labour component of the work shall be 35%.

R = Total value of work done during the month.

NOTE-

- (i) Price adjustment shall be applicable on all the monthly bills passed by the Engineer-in-Charge for payment.
- (ii) The base price shall be the date of bid submission.
- (iii) Various cost components mentioned above are pre decided and shall not be amended during entire contact period and no claim shall be entertained from the concessionaire in this regard..
- (iv) The collection & tipping charge (CTC) shall remain unchanged throughout the contact period including extension.
- (v) The adjustment may be positive or negative depending upon the rise or fall of index / prices / wages.



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Yashpal Dahiya
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