

Revised PRICE VARIATION CLAUSE, CLAUSE 12.0 OF SCC (Rev. 01)

12.0 PRICE VARIATION CLAUSE

12.1 The variation/adjustment (upward or downward) in price of following bulk materials (indigenous) shall be applicable as indicated below:

i. Structural steel (for Civil Works)

- a. Structural Steel
- b. Reinforcement Bars
- c. CS Plates
- d. MS insert plates
- e. Chequered plates
- f. MS anchor bolts
- g. Grating

ii. Copper (for Cables)

iii. Aluminum (for Cables)

12.2 The Contract Price shall be adjusted for **any increase/decrease** on account of variation in material prices for **Structural steel, Reinforcement Bars, CS Plates Grating, MS insert plates, Chequered plates, MS anchor bolts and Grating** as per the formula below:

$$V = P \times Q \times \frac{M_1 - M_0}{M_0}$$

Where,

V = Total Variation in material cost i.e. increase or decrease in the amount (in Rupees) to be paid or recovered.

P =

Structural steel (for Civil Works): Base Price (excluding taxes and duties) of following materials shall be as per Delhi Schedule Rates (DSR) (Vol.-1) of Central Public Works Department (CPWD) published two months prior to the month in which final Bid Due Date falls.

Item	DSR Item Code No. / Description
Structural Steel	1007 - Structural steel such as tees, angles channels and R.S. joists
Reinforcement Bars	1005 - Twisted steel/ deformed TMT bars Fe-500D
CS Plates	1010 - Mild steel plates
MS insert plates	
Chequered plates	
MS anchor bolts	1004 - Average rate of Mild steel round bars for reinforcement
Grating	1006 - Mild steel square bars

Q = Quantity of Structural Steel, Reinforcement bar, CS Plates, MS insert plates , Chequered plates, MS anchor bolts and Grating supplied by CONTRACTOR.

M = All India Wholesale Monthly Price Index (Base Year : 2011-12) for released by Office of Economic Advisor to Government of India, Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry.

Subscripts '0' refers to the Whole Sale Price Index as average of the base month which two month prior to the month in which in which final Bid Due Date falls.

Subscripts '1' refers to Whole Sale Price Index as average of the month, in which the sub-order date for the purchase of material under the contract by the Contractor falls.

- a. **Structural steel, Reinforcement bars, MS insert plates and MS anchor bolts:** All India Wholesale Monthly Price Index for MILD STEEL - LONG PRODUCTS
- b. **CS Plates and Chequered plates:** All India Wholesale Monthly Price Index for MILD STEEL - FLAT PRODUCTS
- c. **Gratings:** All India Wholesale Monthly Price Index for STEEL STRUCTURES

- 12.3 The Contract Price shall be adjusted for **any increase/decrease** on account of variation in material prices for **Copper** and **Aluminum** as per the formula below:

$$V = [P_1 - P_0] \times Q$$

V = Total Variation in material cost i.e. increase or decrease in the amount (in Rupees) to be paid or recovered.

P_1 = Price for **Copper and Aluminium** shall be as per Indian Electrical & Electronics Manufacturer's Associations (IEEMA) for the previous month, in which the sub-order date for the purchase of material under the contract by the Contractor falls.

P_0 = Price for **Copper and Aluminium** shall be as per Indian Electrical & Electronics Manufacturer's Associations (IEEMA) published two months prior to the month in which in which final Bid Due Date falls.

- a. Price of Copper shall be considered as per "**COPPER : (Cu) Price of copper wire rod**" mentioned in the IEEMA price list
- b. Price of **Aluminium** shall be considered as per "**LME Average Settlement Price including Premium for Ingot**" mentioned in the IEEMA price list.

- 12.4 Upward price variation will be payable for the entire approved extended completion period (*) considering the applicable indices as per the above formula. Accordingly, in case of delay by the contractor beyond contractual delivery date for reasons attributable to contractor, no upward price variation shall be payable.

However, downward/ negative price variation shall be applicable for the actual completion period.

() Approved extended completion period shall mean the justified extension in completion period which is without any levy of MAD.*

For example: If COD is May and the actual completion date is December out of which extension upto October is not attributable to the contractor, the upward price variation shall be payable only till October. However, downward price variation shall be applicable till December.

- 12.5 For the purpose of MAD the contract value shall be considering inclusive of price variation on account of price variation.
- 12.6 Even if there is no price adjustment claim, Contractor shall submit all relevant data to prove that there is no downward variation.
- 12.7 Price variation for materials shall be applicable for measured and certified quantity only. CONTRACTOR to provide the Manufactures Certificate indicating quantity (weight) of the items to avail the price variation claim.
- 12.8 Adjustment Bill to be raised after every publication of firm WPI or agreed index for the corresponding period.
- 12.9 Escalation formula shall be implemented only when price increase due to variation is more than +5%. However, for any decrease, formula will be applicable.
- 12.10 No Price adjustment shall be payable on the portion of contract price paid to the CONTRACTOR as an advance / interim payment after the date of such payment.