

PRICE ADJUSTMENT FORMULA FOR 'ELEVATORS'

A. FOR SUPPLY PORTION AND MANDATORY SPARES

- (1) The price adjustment formula is defined for price components related to Main Supply package and Mandatory spares.
- (2) The amount of price adjustment shall be computed as under:

$$EC = EC1 - EC0$$

EC1 will be computed as follows:

$$EC1 = EC0 \{F + a \times A_1 / A_0 + L_b \times L_1 / L_0\}$$

Where,

EC = Adjustment in Ex-Works supply Price.

EC1 = Adjusted Amount of Ex-Works supply Price.

EC0 = Ex-Works supply Price as per LOA/ PO.

(i) 'F' shall be fixed portion of the Ex-Works supply Price and shall be considered as 0.15.

(ii) 'a' shall be co-efficient which shall be considered as 0.6

(iii) A shall be Wholesale Price Index for "Manufacture of other fabricated metal products" as published in RBI Bulletin, Sl.no. 1.3.15.6. Base: 2011-12 = 100

(iv) 'L_b' shall be co-efficient for labour component in the Ex-Works Component of the supply Price which shall be considered as 0.25

(v) 'L' shall be consumer price index for industrial workers as published by RBI in RBI Bulletin, S.N. 1, Base year 2016=100 (Extract of website is pasted below for reference).

(vi) For the indices,

Subscript '0' refers to indices of Base Month for PVC which shall be taken as the month before the month of the price bid opening.

Subscript '1' refers to indices of the month of reckoning the varied price which shall be the month before the month in which dispatch is made.

The latest available indices are to be extrapolated to the above defined month wrt the base month.

Source link of RBI bulletin: https://rbi.org.in/Scripts/BS_ViewBulletin.aspx

Note:

- 1) The price adjustment i.e. either increase or decrease shall be applicable up to the contractual date of completion of supplies. Contractual delivery/dispatch date would mean the delivery/dispatch date mentioned in the order including amendments in delivery/dispatch date (if any). PVC will not be applicable for the period beyond the contractual delivery / dispatch date where delay is attributable to supplier.
- 2) The price adjustment shall be limited to (+) 10% of Ex-Works Price. There is no ceiling on negative PVC.

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B. PRICE ADJUSTMENT FOR SERVICE PART- ERECTION & COMMISSIONING (E&C)

- (i) The price adjustment provisions shall be applicable for price components relating to service part (E&C) as per price break-up furnished by the Contractor.
- (ii) The amount of price adjustment shall be computed as under:
 - a) Indian Rupee Portion of the Installation Services

$$ER = ER1 - ER0$$

ER1 will be computed as follows:

$$ER1 = ER0 \times \{F + L_b \times L1 / L0\}$$

Where

ER = Adjustment in E&C Prices (without taxes & duties).

ER1 = Adjusted Amount of E&C Prices (without taxes & duties).

ER0 = E&C Prices (without taxes & duties) as per LOA.

- (i) 'F' shall be fixed component and shall be considered as 0.15.
- (ii) 'L_b' shall be co-efficient for labour component in the Ex-Works Component of the E&C price which shall be considered as 0.85
- (iii) 'L' shall be consumer price index for industrial workers as published by RBI in RBI Bulletin, S.N. 1, Base year 2016=100 (Extract of website is pasted below for reference).
- (iv) For the indices,

Subscript '0' refers to indices of Base Month for PVC which shall be taken as the month before the month of the price bid opening.

Subscript '1' refers to indices of the month of reckoning the varied price which shall be the month before the month in which Service part (E&C) is carried out.

The latest available indices are to be extrapolated to the above defined month wrt the base month.

Source link of RBI bulletin: https://rbi.org.in/Scripts/BS_ViewBulletin.aspx

Note:

- 1) The price adjustment i.e. either increase or decrease shall be applicable up to the contractual date of completion of work. Contractual work completion date would mean the Completion date mentioned in the order including amendments in work completion date (if any). PVC will not be applicable for the period beyond the contractual work completion date where delay is attributable to supplier.
- 2) The price adjustment shall be limited to (+) 10% of Service part (E&C Prices, without taxes & duties). There is no ceiling on negative PVC.