

SCHEDULE OF ADJUSTMENT DATA

Schedule of Cost Indexation

The formulae for price adjustment shall be the following:

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

where:

“ P_n ” is the adjustment multiplier to be applied to the estimated Contract value in the relevant currency of the work carried out in period “ n ”, this period being a month;

“ a ” is a fixed coefficient, stated in the relevant table of adjustment data, representing the non-adjustable portion in contractual payments;

“ b ”, “ c ”, “ d ”, ... are coefficients representing the estimated proportion of each cost element related to the execution of the Works as stated in the relevant table of adjustment data; such tabulated cost elements may be indicative of resources such as labour, equipment and materials;

“ L_n ”, “ E_n ”, “ M_n ”, ... are the current cost indices or reference prices for period “ n ”, expressed in the relevant currency of payment, each of which is applicable to the relevant tabulated cost element on the date 49 days prior to the last day of the period (to which the particular Payment Certificate relates); and

“ L_o ”, “ E_o ”, “ M_o ”, ... are the base cost indices or reference prices, expressed in the relevant currency of payment, each of which is applicable to the relevant tabulated cost element on the Base Date.

The weightings (coefficients) for each of the factors of cost stated in the following table(s) of adjustment data shall only be adjusted if they have been rendered unreasonable, unbalanced or inapplicable, as a result of Variation(s).

If the currency in which the Contract price is expressed is different from the currency of the country of origin of the indices, a correction factor will be applied to avoid incorrect adjustments of the Contract price. The correction factor shall be: Z_0 / Z_1 , where,

Z_0 = the number of units of currency of the origin of the indices which equal to one unit of the currency of the Contract Price on the Base date, and

Z_1 = the number of units of currency of the origin of the indices which equal to one unit of the currency of the Contract Price on the Date of Adjustment.

For the purpose of making all calculations, Pakistan Engineering Council’s Standard Formula and Procedure for Price Adjustment (Second Edition, May 2022) shall be applicable in true letter and spirit. For imported plant/ equipment and materials quoted in local currency (Pak. Rs.), foreign currency, exchange rates shall be fixed at the respective interbank currency exchange rates, 28 days prior to the tender opening date. The change in foreign currency exchange rate will be applicable to the foreign currency component stated in the Letter of Credit established by the Contractor or his Vendor. The amount stated in the Letter of Credit shall be adjusted from gross work done while making calculations of Price Adjustment for the local items as per above formula.

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Table I. Local Currency (LC) For All Bills

Index code	Index description	Source of index	Bidder's related currency amount	Weighting
(i)	Non-adjustable/Fixed	—	PKR	A: 0.30
(ii)	Local Labour	Statistical Bulletin	PKR	B: 0.15
(iii)	Bitumen	NRL/ ARL Scheduled Rates	PKR	C: 0.31
(iv)	Bajri	Statistical Bulletin	PKR	D: 0.09
(v)	High Speed Diesel	Statistical Bulletin	PKR	E: 0.15
Total				1.00

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Table II. Foreign Currency (FC) For Bill Nos. _____

[In the Table below, the Bidder shall (a) indicate amount of foreign currency payment, (b) indicate the source and base values of indices for the different foreign currency elements of cost, (c) derive its proposed weightings of foreign currency payment, except the non-adjustable portion which will be filled in by the Employer.

If the Bidder wishes to incur in more than one foreign currency (up to two currencies permitted) then this table should be repeated for each foreign currency.]

Index code	Index description	Source of index	Base value and date	Bidder's related source currency in type/ amount	Equivalent in FC1	Bidder's proposed veighting
(i)	Non-adjustable					A: _____
(ii)						B: _____
(iii)						C: _____
(iv)						D: _____
(v)						E: _____
				Total		1.00

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Table III. Foreign Currency Requirements

[With reference to Sub Clause IB.14.1, the Bidder shall provide information below on the proportion of various currencies in which he requires payment to be made. The Bidders shall also indicate Factors (inputs) related to the requirement of respective currencies.]

Sr. No	Currency (name)	Percentage payable in currency	Factors (inputs) to which the Requirements Refer
1.	LC (Pak. Rs.)		* General Expenses Manpower, Local Staff, Expatriate Staff, Spare Parts, Fuel & Lubricants, Hydraulic Binder, Timber & Plywood, Additives & Protectives, Joints & Waterstops, Explosives-Fuses-Detonators, Re-Steel & Wire Ropes, Metal Pipes & Fittings, Structural Steel, Miscellaneous Metals, Concrete Pipes, PVC Pipes, Build Materials, Sub-Contractor, Drilling & Grouting Sub-Contractor Third Party Supplies, Import Charges, General Expenses, Plants.
2.	FC1 (US \$ Dollar)		* Expatriate Staff, Spare Parts, Hydraulic Binder, Timber & Plywood, Additives & Protectives, Drilling Materials, Miscellaneous, Sub-Contractor, Import Charges, General Expenses, Plants.
3.	FC2 (EUR € EURO)		* Expatriate Staff, Spare Parts, Additives & Protectives, Welding Materials, Miscellaneous, Electrical Sub-Contractor, Import Charges, General Expenses, Equipment, Plants.
TOTAL		100.00	

*[*The above Factors (Inputs) related to the requirement of respective currencies, are for guidance only, and shall be indicated specific to the Contract.]*

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Table IV. Summary of Payment Currencies

[In the Table below, the Bidder shall list the exchange rates used in the currency conversion with reference to Sub Clause IB.14.2.]

Name of payment currency	a Amount of currency	b Rate of exchange (local currency per unit of foreign)	C Local currency equivalent $c = a \times b$	d Percentage of Total Bid Price (TBP) $\frac{100 \times c}{TBP}$
Local currency (Pak. Rs)		1.00		
FC1				
FC2				
Total Bid Price				100.00
Provisional sums expressed in local currency	<i>[To be entered by the Employer]</i>		<i>[To be entered by the Employer]</i>	
TOTAL BID PRICE (including provisional sum)				