

Price Variation Clause

Tender No. \_\_\_\_\_ Opening on.....

- 1.0 Price Variation Clause (PVC) shall be applicable as per following IEEMA price variation formulae:

$$P = P_o + 0.157(Cu - C_{uo}) + 0.277(CC - C_{Co}) + 0.289(Fe - F_{eo})$$

Where  $P_o$  is the price of cable as per purchase order in Rupees per KM and the same will vary based on price of raw materials in Rupees per MT ( **$C_{uo}$  i.e. the price of copper wire rod,  $C_{Co}$  i.e. the price of PVC compound Grade CW-22 and  $F_{eo}$  i.e. the price of steel for armouring (Flat 4 mm x 0.8 mm)** taken from IEEMA circular for the base month indicated in purchase order.

$P$  is price payable in Rupees per KM as adjusted in accordance with price variation clause. The correspond raw material price in Rupees per MT for **CU, CC and Fe** as prevailing on 1<sup>st</sup> working day of the calander month covering the date one month prior to the date of inspection call letter will be applicable for the calculation of updated price.

- 2.0 The tenderers shall quoted their offers based on raw material prices as prevailing one month prior to the month of tender opening i.e. as per IEEMA circular issued for the month of **Feb, 2014**
- 3.0 The offer quoted with any different PVC formulae those indicated above or based on any other base month shall be **summarily rejected.**
- 4.0 Offers received with firm price against this tender shall also be **summarily rejected.**