SCC, Part B – Specific Provisions

Conditions	Sub-Clause	Specific provisions
Adjustments for Changes in costs	**13.8**	***Sub-clause 13.8 Adjustments for Changes in costs in GC is replaced with the following entirely.***

13.8. (a) Price Variation for Civil Items

I. The rates as per the accepted Bill of Quantities shall be applicable till the completion of the Work and will be varied only to the extent of permissible price variation under this Clause. However, this adjustment shall be to the extent that full compensation for any rise or fall in costs to the Contractor if not covered by the Price variation formula, the rates in the accepted Bill of Quantities shall be deemed to include amounts to cover the contingency of such rise or fall in costs.

The price variation will be payable only on the Indian currency component (no adjustment for foreign currency component) of the Contract Price as per the following price variation formula.
Payment as per the contract shall be subject to adjustment in accordance with the following Price Variation formula, and other terms given herein, to provide for variation in the market rates of inputs like labour, materials and fuel / energy during the currency of the Contract:

V = Vl + Vs + Vc + Vf +Vm
Where,
V = Total adjustment on account of all factors
Vl = Adjustment on account of labour component
= p x R x (I – Io) /Io
Vs = Adjustment on account of Steel component
= q x R x (Ws – Wso) / Wso
Vc = Adjustment on account of Cement component
= r x R x (Wc – Wco) / Wco
Vf = Adjustment on account of Fuel/Lubricant component
= s x R x (Wf – Wfo) / Wfo
Vm = Adjustment on account of Machinery and Equipment component = t x R x (Wm – Wmo) / Wmo
p = Cost Coefficient of Labour component to the Total Cost = 0.22
q = Cost Coefficient of Steel component to the Total Cost = 0.25
r = Cost Coefficient of Cement component to the Total Cost = 0.15
s = Cost Coefficient of Fuel and Lubricant component to the Total Cost= 0.05
t = Cost Coefficient of Machinery and Equipment component to the Total Cost = 0.18

Note : p+ q + r + s + t = 0.85, balance 0.15 shall be fixed component

R = Gross value of the work done by the Contractor for the period of work under consideration, after excluding there from the cost of any materials supplied free or at fixed rate to the Contractor.

Io = Minimum daily wage in Rupees of an unskilled worker, issued by Chief Labour Commissioner (Central), as applicable to Delhi area for the previous month in which the tender was opened.

I = Minimum daily wage in Rupees of an unskilled worker, issued by Chief Labour Commissioner (Central), as applicable to Delhi area for the period of work under consideration.

Wso = **Wholesale Price Index** for Bars and rods of mild steel (Item code 1314010014) published by office of Economic Adviser, Ministry of Industry & Commerce for the previous month in which the tender was opened.

Ws= **Wholesale Price Index** for Bars and rods of mild steel (Item code 1314010014) published by office of Economic Adviser, Ministry of Industry & Commerce for the period of work under consideration.

Wco= **Wholesale Price Index** for Ordinary Portland Cement (OPC) (item code 1313050003) published by office of Economic Adviser, Ministry of Industry & Commerce for the previous month in which the tender was opened.

Wc = **Wholesale Price Index** for Ordinary Portland Cement (OPC) (Item code 1313050003) published by office of Economic Adviser, Ministry of Industry & Commerce for the period of work under consideration.

Wfo = Whole Sale Price Index for Fuel & Power (Item code 1200000000), published by office of Economic Adviser, Ministry of Industry & Commerce for the previous month in which the tender was opened.

Wf= Wholesale Price Index for Fuel & Power (Item code 1200000000), published by office of Economic Adviser, Ministry of Industry & Commerce for the period of work under consideration.

Wmo= Whole Sale Price Index for Manufacture of Machinery and Equipment (Item code 1318000000), published by office of Economic Adviser, Ministry of Industry & Commerce, for the previous month in which the tender was opened.

Wm = Wholesale Price Index for Manufacture of Machinery and Equipment (Item code 1318000000), published by office of Economic Adviser, Ministry of Industry & Commerce for the period of work under consideration.

Notes:

1. For the Wholesale Price indices, latest series (2022-23) as published by the office of the Economic Adviser, Ministry of Industry & Commerce shall be used.
2. For works to be executed outside Delhi, Minimum Daily wage issued by Chief Labour Commissioner (Central) of the respective area is to be taken.
3. Period of work under consideration will mean as under;
   i. In the case of first “Interim Payment Bill” the period from the month in which the tender was awarded to the month of measurement of the first bill.

		ii. In the case of second and subsequent "Interim Payment Bills " and Final bill, the period from the month of measurement for previous bill to the month of measurement of that bill. 4. Responsibility of arranging the published indices/ Minimum wages desired by the Employer or the Engineer shall rest with the Contractor. **II. Procedure in case of Delay in Availability of Final Indices** Where the final Price Indices/ minimum wages are not available, while making payment towards on-account bills, payment towards Price Variation will be made on provisional basis based on the indices/ minimum wages available, to be adjusted in subsequent bills as and when the final Indices/ minimum wages figures become available. **III. Price Variation for Extra Items** Normally, no price variation clause shall be applicable to any extra item/new rates not originally included in the accepted Bill of Quantities and for which the rates are fixed separately under clause 13 of GCC. It shall, however be open to the Engineer to accept price variation clause in such cases where the rates are not based on actual and work is likely to continue for more than one year. **IV. Adjustment on Account of Price Variation** a) Adjustment on account of Price Variations may be positive (in which case extra amount shall be paid to the Contractor), or negative (in which case the amount of Price Variation shall be recovered from the Contractor) b) Adjustment of contract price on account of price variation shall be calculated for each calendar month and paid along with each bill or separately as claimed by the contractor. c) As indices are issued month wise, in case period of work is falling in more than one calendar month, price variation should be calculated separately on the value of work done in each calendar month and no weighted average of indices should be considered. Work should be measured in the respective calendar month in which it has been executed. d) Any amount due from Contractor on account of negative adjustment shall be recovered from pending or other bills of the contractor at the earliest. In case of delay in submission of de- escalation bill by Contractor leading to delay in making recovery, interest rate of State Bank of India's Marginal Cost Based Fund Lending Rate (MCLR) applicable for tenure of 01year prevailing on the date of recovery plus 3% penal interest per annum shall be charged. The interest will be charged from the date of submission of RA bill of the month plus one month or date of payment of RA bill whichever is earlier. **V. Price Variation during Extended Period of Completion**

		i) "Where extension of time has been granted under Sub-Clause 8.4.1 of GCC and/or Sub-Clause 8.4.3 of GCC without freezing of escalation indices, price adjustment shall be worked out as stated at (I) above. ii) Where extension of time has been granted under Sub-Clause 8.4.3 of GCC with freezing of escalation indices, price adjustment shall be worked out as follows: a) In case the indices increase above the indices applicable to a bill made on the last date of original completion period or the extended period under Sub-Clauses 8.4.1 of GCC and/ or Sub-Clause 8.4.3 of GCC without freezing of escalation indices, the price adjustment for the period of extension will be limited to the amount payable as per the indices applicable to a bill made on the last date of the original completion period or the extended period under Sub-Clauses 8.4.1 of GCC or Sub-Clause 8.4.3 of GCC without freezing of escalation indices, as the case may be. b) In case the indices fall below the indices applicable to a bill made on the last date of the original completion period or the extended period under Sub-Clauses 8.4.1 of GCC and /or Sub-Clause 8.4.3 of GCC without freezing of escalation indices, then the lower indices will be adopted for Price Adjustment for the period of extension. **13.8 (b) The Price Variation Formula for E&M Items (Excluding Comprehensive Annual Maintenance for Electrical and Mechanical system works) shall be payable on supply price as per following IEEMA circulars:** a. For Supply of LV power and control cables:- IEEMA Base circular will be :- 36/DIV/CAB/05 dated 06th Jan, 2007 with correction factor of Polymer for LT XLPE Power Cable, as issued by IEEMA vide their circular no. 35/DIV/CAB/05 dated 24th April 2018. Bidder to follow IEEMA Cir. No. 111/DIV/CAB/05 dated 5th December 2017 & cir. no. 35/DIV/CAB/05 dated 24th April 2018. b. For Supply of LT Switchgear:- IEEMA circular :- 09/DIV/LVSWGR/05 dated 20th Feb, 2019. c. For Supply of AC/DC rotating machine. IEEMA circular:- 33/PVC/RM/05 dated 14th November, 2022. d. For Supply of Lead- Acid Battery IEEMA circular:- 06/DIV/BTR/CHRG/05 dated 02.01.2001. The BOQ items includes supply as well as installation, testing and commissioning components. 20% of the quoted price will be treated as the labour/installation/testing & commissioning component and 80% would be treated as supply price (i.e. 0.8 x P0) for the purpose of applicable of these PVC formulae.

		Hence, For above (a) to (d) item , the P0 as mentioned in above mentioned IEEMA circular to be replaced by 0.80 X P0 at the time of Price Variation Calculation. (Where P0 is the quoted price in BOQ by bidder) e. Labour component for erection/installation, testing and commissioning. (Applicable For item no. a to d) For Erection Portion, the Price Variation Shall be calculated as under: Vl= 0.85 x R x {[L1-L0]/L0} where, R= Gross value of work done period under consideration & derived based on 20% of quoted price by bidder in price schedule which shall be treated as erection, installation, Testing and commissioning cost. L1= Average of monthly Consumer Price Index for Industrial workers published by Ministry of Labour & Employment, Govt of India, as applicable to Gandhinagar/Ahmedabad area for the period of work under consideration. L0= Consumer Price Index for Industrial workers, published by Ministry of Labour & Employment, Govt of India, as applicable to Gandhinagar/Ahmedabad area for the month in which the tender was opened. It may be noted that, only latest notifications/circulars shall be considered for price adjustment. The above mentioned circulars are for reference purposes and bidder has to review the same from IEEMA website for their further purposes. (f) For E&M items other than mentioned above which are admissible for Price variation as per contract provisions, the Price Variation Shall be calculated as per GCC clause no. 13.8 (a) formula V= Vl + Vs + Vc + Vf + Vm