



MILLENNIUM CHALLENGE ACCOUNT NEPAL (MCA-NEPAL)

Recycling Pilot Works Contract – Dhan Khola Lamahi 40km Road Section MCA-N/RMP/CB/008

ADDENDUM #5

Date of Issue: 14 January 2025

This Addendum No. 4 modifies respective portions of the Bidding Document issued on 30 October 2024, amended through Addendum #1 on 28 November 2024, Addendum #2 on 11 December 2024, Addendum#3 on 25 December 2024 and Addendum#4 on 7 January 2025. The changes, as indicated below, are effective on the date of issue of this Addendum.

Except as expressly amended by this Addendum, all other terms and conditions of the Bidding Document - issued on 30 October 2024, amended through Addendum #1 on 28 November 2024, Addendum #2 on 11 December 2024, Addendum#3 on 25 December 2024 and Addendum#4 on 7 January 2025 remain unchanged and shall remain in full force and effect in accordance with their terms.

SN	Pages/Paragraph	Amendments
1.	Volume I, Section IV Submission Forms Clause 13.8 Adjustment for Changes in Cost PDF Page 44 of 136 to 46 of 136	<p>Adjustment shall be made for the first time at the end of the first month following the Commencement Date and monthly thereafter. Any such adjustment will be applicable to work performed on or after the date the adjustment is made.</p> <p>In the Schedule of Adjustment Data below, the Offeror shall (a) indicate the proposed weighting of the currency, if any (b) indicate the proposed source and base values of indices for the different input elements, and (c) derive their proposed weightings.</p> <p>The formulae for price adjustment shall be of the following general type:</p> $P_n = A + B L_n / L_o + C E_n / E_o + D M_n / M_o + \dots$ <p>where:</p>

	<p>“Pn” 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;</p> <p>“A” is a fixed coefficient, stated in the relevant table of adjustment data, representing the non-adjustable portion in contractual payments;</p> <p>“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;</p> <p>“Ln”, “En”, “Mn”, ... 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 42 days prior to the last day of the period (to which the particular Payment Certificate relates); and</p> <p>“Lo”, “Eo”, “Mo”, ... 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.</p> <p>The cost indices or reference prices stated in the Schedule of Adjustment Data shall be used. If their source is in doubt, it shall be determined by the Engineer. For this purpose, reference shall be made to the values of the indices at stated dates (quoted in the fourth and fifth columns respectively of the table).</p> <p>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: $Z0 / Z1$, where,</p> <p>$Z0$ = 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</p> <p>$Z1$ = 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.</p> <p>[In Tables A, B, and C, below, the Offeror shall (a) indicate its amount of local currency payment, (b) indicate its proposed source and base values of indices for the foreign currency elements of cost, (c) derive its proposed weightings for local and foreign currency payment, and (d) list the exchange rates used in the currency conversion.]</p>
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Schedule of Adjustment Data

<i>Index code</i>	<i>Index description</i>	<i>Source of index</i>	<i>Base value and date</i>	<i>Related source currency, if any</i>	<i>Range of Weighting</i>	<i>Proposed Weighting</i>
A	Nonadjustable			-	A = 0.15	0.15
B	Construction Labour		28 days prior to submission of Offers		B = 0.15 – 0.25	
C	Construction Material		28 days prior to submission of Offers		C = 0.40 – 0.50	
D	Construction Equipment		28 days prior to submission of Offers		D = 0.15 – 0.25	
					Total	1.00

has been replaced by:

Adjustment shall be made for the first time at the end of the first month following the Commencement Date and monthly thereafter. Any such adjustment will be applicable to work performed on or after the date the adjustment is made.

In the Schedule of Adjustment Data below, the Offeror shall (a) indicate the proposed weighting of the currency, if any (b) indicate the proposed source and base values of indices for the different input elements, and (c) derive their proposed weightings.

The formulae for price adjustment shall be of the following general type:

$$P_n = A + B \frac{L_n}{L_o} + C \frac{E_n}{E_o} + D \frac{M_n}{M_o} + \dots$$

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 42 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 cost indices or reference prices stated in the Schedule of Adjustment Data shall be used. If their source is in doubt, it shall be determined by the Engineer. For this purpose, reference shall be made to the values of the indices at stated dates (quoted in the fourth and fifth columns respectively of the table).

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

Z1 = 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.

[In Tables A, B, and C, below, the Offeror shall (a) indicate its amount of local currency payment, (b) indicate its proposed source and base values of indices for the foreign currency elements of cost, (c) derive its proposed weightings for local and foreign currency payment, and (d) list the exchange rates used in the currency conversion.]

Schedule of Adjustment Data

<i>Index code</i>	<i>Index description</i>	<i>Source of index</i>	<i>Base value and date</i>	<i>Related source currency, if any</i>	<i>Range of Weighting</i>	<i>Proposed Weighting</i>
A	Nonadjustable			-	A = 0.15	0.15
B	Construction Labour		28 days prior to submission of Offers		B = 0.15 – 0.25	
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D	Construction Equipment		28 days prior to submission of Offers		D = 0.15 – 0.25	
					Total	1.00