

PRICE ADJUSTMENT CLAUSE

STATEMENT OF ISSUE: The commodity(s) or services represented in the attached Invitation to Bid may be considered volatile price item(s) which may show drastic swings in price and availability from wholesalers to the retailers during the contract period. In consideration, the COUNTY is including this price adjustment clause in the Invitation to Bid to encourage adequate competition and fair pricing on the (estimated) indefinite quantity requirement and to discourage padding or hedging prices.

The COUNTY's price adjustment criteria are as follows:

VENDOR shall agree that submitted pricing **will be held firm for the first three (3) months of the contract term**. A price escalation or reduction may be requested by the VENDOR or the COUNTY, to the price of all items. The COUNTY may, in its sole discretion, accept an equitable adjustment in the Contract terms or pricing if pricing or availability of supply is affected by extreme and unforeseen volatility in the marketplace, that is, by circumstances that satisfy all the following criteria: (1) the volatility is due to causes wholly beyond the VENDOR's control, (2) the volatility affects the marketplace or industry, not just the particular Contract source of supply, (3) the effect on pricing or availability of supply is substantial, (4) the volatility so affects the VENDOR that continued performance of the Contract would result in a substantial loss and (5) No price adjustment will be approved to compensate a vendor for inefficiency or for errors or omissions in judgment or for additional profit.

Requests from the VENDOR for price adjustments shall be RECEIVED IN WRITING (via email or fax) and are subject to COUNTY Purchasing Manager approval (if applicable) and a properly executed contract amendment, if applicable before becoming effective. Failure to reach agreement for a price adjustment may, at the sole option of the COUNTY, result in the termination of the Purchase Agreement for cause.

Official VERIFIABLE documentation of such changes SHALL be provided with the request for price adjustment in order to substantiate any requested change. The COUNTY reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US URBAN Average, as published by the US Department of Labor, Bureau of Labor Statistics). The COUNTY also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party.

As an authorized representative of the company listed below I fully understand, accept and agree to abide by the procedures denoted in this price adjustment clause.

VENDOR NAME _____

ADDRESS _____

AUTHORIZED SIGNATURE _____

PRINTED SIGNATURE _____ DATE _____