

**CLARIFICATION NO.: 3****BID NO.:** G/RFQ/KHPMUN-006/2020**BID DESCRIPTION:** SUPPLY AND DELIVERY OF NEW 11 kV RING MAIN UNITS AND BATTERY TRIPPING UNITS (Period of 2 Years)**DATE:** 26 JANUARY 2021**1. RESPONSE TO QUESTIONS RAISED**

With reference to the above-mentioned Bid, KEETMANSHOOP MUNICIPALITY has the following official response to the clarification(s) raised regarding the Bid and the Bidding Documents:

| Question No. | Question from Suppliers | Answers from Keetmanshoop Municipality |
|--------------|---|--|
| 1. | <p>In reference to the above RFQ I kindly request a clarification on the below.</p> <p>I refer to GCC 15.1 – Prices shall be adjustable in accordance with a Price Adjustment Formula and GCC 16.4a – Prices shall not be adjustable to Fluctuations in ROE.</p> <p>The Ring Main Units you specified are all imported from Europe, this means that the prices are subject and coupled to Rate of Exchange.</p> <p>In order for us as bidder to price for a 2 year validity we will need to use a forward exchange rate that will mean higher inflated prices for you as the end user.</p> <p>Can we as bidders not calculate our offers at a shorter validity thereafter subject to ROE?</p> | <p>Unfortunately we were mandated to utilise the Price Adjustment as stipulated in clause GCC 15.1 and as appended in the formula and further rely on the labour and material indices published by reputable institutes such as SEIFSA.</p> <p>Your concern is noted; however council is adamant in the use of the exchange rate for price adjustment.</p> <p>If it comforts your pricing may you use the forward exchange rate method and place a notification to that effect in your bid ;so that before placement of purchase order, council can proportionately re-adjust your unit rate</p> |