



ADDENDUM I

SUBJECT: Informal Invitation for Bid- Annual Contract for Synthetic Oil, IFB#6100016424, Scheduled to Open: April 14, 2023; at 10:00 am Central Time; Date of Issue: March 22, 2023

FROM: Marilyn Timlake, Procurement Manager

DATE: April 7, 2023

THIS NOTICE SHALL SERVE AS ADDENDUM NO. I - TO THE ABOVE REFERENCED INVITATION FOR BID.

THE ABOVE-MENTIONED FORMAL INVITATION FOR BID IS HEREBY AMENDED AS FOLLOWS:

1. The submission deadline has been extended to April 14, 2023 by 10:00 p.m. Central Time.
2. **ADD** to Section **005 – SUPPLEMENTAL TERMS & CONDITIONS**

Producer Price Index (PPI) Price Adjustment Clause.

Price Adjustments. The prices shown on the Price Schedule may be increased or decreased as follows:

Base Period for Price Adjustment. The base selling price is the price shown on the original Price Schedule submitted by Vendor with its original bid. The effective month and year of the base selling price (known as the “base period”) shall be the effective date of the month and year in which this contract is awarded.

Date for Price Adjustment. Prices may be adjusted annually (the “Price Adjustment Date”).

Version of Data for Price Adjustment. Calculations of price adjustments shall use the latest version of the PPI data published as of the Price Adjustment Date.

PPI Index for Price Adjustment. The U.S. Department of Labor, Bureau of Labor Statistics (“BLS”) Producers Price Index (“PPI”) for PETROLEUM LUBRICATING OIL & GREASE MFG, Series ID# PCU324191324191011 not seasonally adjusted, shall be used by the Parties to calculate changes in price. If this index is discontinued, the Parties shall use the next, higher level series of this index that is available. If no higher level series of said index is available, the Parties shall negotiate a successor index. If the BLS changes the title of this index or recodes the index, it is considered the same series and requires no change by the Parties.

Official Source of Data for Price Adjustment. The parties shall use the PPI Detailed Report as the source of data for the index.

Method of Calculation for Price Adjustment. To calculate the price adjustment, the following formula shall be used.

Divide the current index value (the value as of the date stated for the price adjustment) by the index value for the base period. The resulting number is the percentage change in the index value between the current period and the base period (the “percentage change in index value”).

Multiply the base price by the percentage change in index value. The sum proven equals the adjusted price.

Example: (The numbers shown below are for illustration purposes only.)

Current index value at time of calculation	115.5
Divided by index for base period	110.0
Proven equals	1.050
Base price	\$1,000.00
Multiplied by the percentage change in index value	1.050
Proven equals adjusted price	\$1,050.00

The same procedure shall be followed for each adjustment authorized herein, using the current index at the time the adjustment is made and the original base period.

Marilyn Timlake

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Procurement Manager
Finance Department – Purchasing Division

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