

4. Form for Proposal Deviation, if applicable (without price data)

CER 5. Form for Proposal Deviation

This form shall be completed for each condition, exception, reservation or understanding (i.e., Deviation) in the Proposal according to “Conditions, Exceptions, Reservations or Understandings.” One copy without any price/cost information is to be placed in the Technical Proposal as specified in “Technical Proposal Requirements,” and a separate copy with any price/cost information placed in the Price Proposal as specified in “Price Proposal Requirements.”

PSTA
[RFP 21-980369]

Deviation No.: 1	Contractor: GILLIG	RFP section: CER 6 PRICING SCHEDULE	Page: 216
<p>Complete description of Deviation:</p> <p>GILLIG wishes to advise that prices are for base bus and options shall be fixed for ONE (1) year from execution date of the contract. Prices for the base bus and options for years 2-5 shall be adjusted using the Bureau of Labor and Statistics Producer’s Price Index (PPI), Category 1413 WPU Truck and Bus Bodies.</p>			
<p>Rationale (pros and cons):</p> <p>For multi-year procurements the use of the Producer Price Index, Category 1413 WPU Truck and Bus Bodies (PPI 1413), is standard practice in the transit industry to adjust the price of future orders (years 2, 3, 4, and 5), based upon the change in economic conditions from the date of contract award to the date the option order is placed.</p> <p>The use of the PPI 1413 avoids the need for bidders to make arbitrary inflation estimates which unnecessarily raises the option bus prices quoted, thereby increasing the total cost to the Procuring Agency. This price adjustment method allows for a mutual sharing of project risk and minimizes the bus bid price.</p>			