**APPENDIX 3-A   
Sample Clause for Saber Economic Price Adjustment (EPA)**

(a) Adjustments to coefficient(s) for SABER options occur annually to recognize variations in labor, equipment, and material costs as stated below.

(b) The Market Trends Construction Cost Index (CCI) for the city of [*insert where the work is to be performed*] as published in the McGraw-Hill publication “[Engineering News Record (ENR)](http://enr.construction.com/)” will be used to determine adjustments to the contract coefficients for options under this contract. To determine the amount of adjustment, the contracting officer calculates the change in the index appearing in the issue of ENR published during the month before the effective date of the option from [*the contracting officer enters the most recently published index at the time of initial contract award*]. Eighty percent of this variation applies to [*the contracting officer enters the coefficient for the initial period of the contract*]. If the publication of the index should be discontinued, the parties to the contract will negotiate a replacement index or new contract provision. If a replacement index or contract provision cannot be agreed upon, the contracting officer may unilaterally determine the contract adjustment method, and the contractor may dispute the determination under the Disputes Clause. Adjustments to option year contract coefficients must be determined in accordance with the following formulae:

(1) To calculate the new coefficient use:   
C = Ci \* f   
Where:   
C = New Coefficient;   
f = Adjustment Factor; and   
Ci = Contract pricing coefficient at contract award.

(2) To calculate the Adjustment Factor use:   
f = ((CCIc - CCIi) / CCIi) \* 80% + 1   
Where:   
CCIc = the ENR index for the option; and   
CCII = the ENR index for the initial contract award.

(c) The basis of adjustments for second and subsequent option years is the contract coefficient for the initial contract period.

**EPA Coefficient-Index Matrix**

**Action ENR Index** **Adjustment Factor Coefficient**

Contract Award 110.0 N/A 1.03   
Option 1 115.4 1.039 1.07   
Option 2 130.2 1.147 1.18   
Option 3 125.1 1.110 1.14   
Option 4 100.0 .927 .96

NOTE: Round calculation results as done in this example.

**EPA Calculations**

*Column 2 - ENR Indices* for the options derive from the issue of the McGraw-Hill publication ENR published during the month before the effective date of the option. The ENR Index for the Contract Award is the most recent ENR index published during the month before initial contract award.