

ESCALATION FACTOR

The Escalation Factor is the percentage of increase of doing business in this industry of service for the current option period. This percentage should be close to the Bureau of Labor Statistics PPI (Producer Price Index) within this industry of service, unless there is another reputable data that will support a higher percentage index.

For example:

Base year Total: \$5,000.00
PPI in for given Industry 1.2 %

Thus,
Section P: 1.2%
Line item Price: \$60.00
Total for Option 1: \$5,060.00

If you elect to provide an escalation factor percentage for each item as oppose to a year total percentage, please show the total percentage for the year in "Section P" and the price equivalent to the percentage in the line item Unit Price.

If you choose not to provide a percentage, for the option period, please indicate by placing a zero (0) in this section.

IMPORTANT NOTE: Each escalation factor line item will be included, to make up your total price for award evaluation.

Also please note: In the event the government choses to exercise an option, the escalation factor will be evaluated prior to exercising that option period for confirmation of industry PPI* to determine acceptance or rejection.

Unless there is other **reputable data that will support a higher percentage index.*